# The Financial Post

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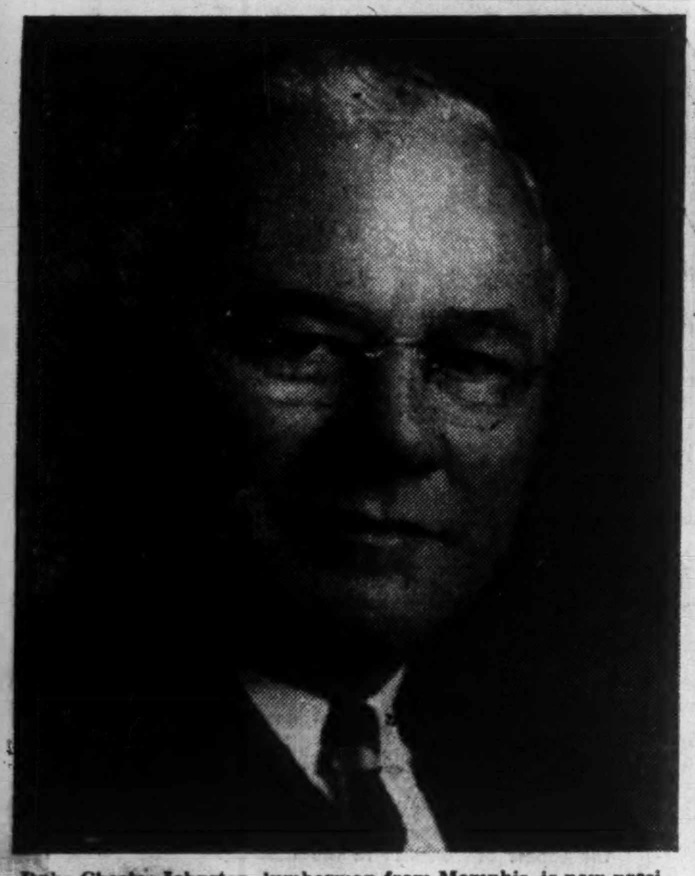
## Heads Lumbermen



**Duke Charles Johnston, lumberman from Memphis, is new president of the decontrol-crusading Canadian Lumbermen's Association. Tennessee-born, 67, he came to Hamilton just before World War I with International Harvester, but almost immediately switched to lumber wholesaling; now is secretary-treasurer of National Lumber, Toronto. Most of CLA's member-firms this week sent delegates to its 39th convention at Montreal to back renewed demand for a free lumber market.**

THE NATION'S BUSINESS

# Revolution in U.K. A Horrible Example

Canadians would do well to watch closely the course of the Socialist revolution in Britain. The fact that it is progressing in relative quiet—that there is no rioting in the streets—makes it easy to miss the full import of the legislation which the Attlee regime is rushing through Westminster.

Here Canadians have an excellent demonstration of what to expect from Coldwell and the other panjandrums of Canadian socialism.

In its almost 20 months of power the Attlee Government has enacted a big and broad program of "social security," created a national health service, laid the basis of a housing program, nationalized the coal mines, the Bank of England, civil aviation and cables. It has started to nationalize transport. Its Farm Control Bill and its Town and Country Planning Bill go so far in controlling the use and sale of land that property rights as Anglo-Saxons understand them will virtually cease to exist.

The Farm Control Bill would give civil servants the power to tell a farmer what seeds to plant, what animals to grow, how hard to work. If the civil servant disapproves the judgment and vigor of the farmer, the civil servant can force the farmer to get off his land and the civil servant will put that land in charge of a farmer he likes.

Further, it provides that any speculative profits arising out of development of land become the property of the State, rather then of the land-owner.

This means that if, for instance, the Government decides to build a highway and this turns farmland into residential territory, the owner will get no benefit out of the change. The benefit goes to the State.

As long as the property does not change hands, no special levy is made against the land-owner. But if it is sold, or taken over by the State, then the Government will determine what the value of the land was before the development went through, and will appropriate any excess over that figure obtained in the sale.

### One-way Socialism

The question that naturally follows is, will it work both ways? If, for instance, a city were to adopt the policy of developing in an easterly direction, property values west of the city would be expected to depreciate, because people who lived there would find themselves removed from shops, centres of entertainment and other valuable facilities. But there is nothing in the bill to suggest that such property owners will be reimbursed for their losses under such circumstances.

Similarly, land-owners must obtain permission from a government bureaucrat before they can alter the present use of their land or sell it for any other use. If such permission is granted and the property value thereby enhanced, the Government gets the profit. If the bureaucrat refuses to grant permission and the property value is thereby reduced, the owner gets no compensation.

The Socialists seem to want to have it all their own way. They want the State to have any "profit" arising out of land development, but they do not propose to compensate anyone who suffers as a result of their actions.

These two land bills very well demonstrate the revolutionary nature of socialism.

Both bills also presuppose sublime wisdom from those few men who have succeeded in getting themselves into positions of power and who are currently designated as The Government.

No matter how well intentioned Attlee and his cabinet doubtless are, the fact is that policy is carried out by some relatively minor bureaucrat. For the individual Briton who is to be dispossessed what matters is the character, judgment, probity and fairness of the little local "gauleiter" who carries out the policy. It is too much to expect that these "gauleiters" will always be without old scores to pay off, personal prejudices to feed and party loyalties to serve.

### Can't Unscramble Socialist Eggs

The British example also demonstrates the impossibility of unscrambling socialist eggs. After land and property has been put through the socialist wringer, it is impossible ever to restore the status quo ante.

Taking a look at the Socialist union, The Economist (London) has words that may well be pondered by Liberal and Conservative parties here in Canada.

What Britain needs now, says The Economist, is not more legislation, not more big and revolutionary schemes for the distant future, but some effective work on immediate problems.

> "Something is needed that neither legislation nor administration can provide. What is chiefly lacking lies far more in the moral and psychological sphere than in the political and economic. What the people of Britain need most is something to engage their enthusiasm and their idealism. Where is the creed that can provide a new inspiration today? Socialism is elderly, stiff in its joints and unthinking in its reactions. Communism is seen as nothing but a new brand of old tyranny. Liberalism is discredited. The Tories, relapsing from their wartime fire, have difficulty in disengaging themselves from Baldwinism. Under what banner can youth and idealism enlist? Deprived of any great purpose to its public life, the British people are in danger of relapsing into a good-natured, but passive, endurance of everlasting hard times."

# Union Balks Reds May Jump to AFL

### Toronto Local of Electrical Workers in Revolt Against Communist Direction — Wholesale Shifts From CIO Hinted

**By RONALD WILLIAMS**

A full-scale rebellion against the communist direction of the United Electrical Workers (CIO-CCL) appeared to be shaping up this week after the leadership of a Canadian General Electric Co. local in Toronto kicked over the traces and made overtures for affiliation with a rival AFL union.

The dispute was being presented by some as inter-union warfare between the AFL and the CIO, but those close to the scene say this is only a smoke screen. The real issue is communist control of certain Canadian unions. Willingly or unwillingly, a number of unions are involved in the battle.

At least one top AFL official gave aid and comfort to the communist-inspired "war" story by predicting wholesale shifts out of the CIO. The vigorously anti-communist United Steelworkers union (CIO-CCL) became involved unwillingly when one of its international organizers, Harold Padget, resigned.

**Signs of Unrest**

Coming on the heels of the UEW debacle, this was submitted as confirmation of the behind-the-scenes skirmishing: It was suggested Padget would go over to the AFL and take some locals with him. This was not being taken too seriously in union circles.

The electrical union strife boils down to communist control. The big UEW (20,000 claimed members) where the fuss started, had always been plagued with Red control at the top. But trouble has been brewing for some time. There have been signs of revolt in the 4,000-member local at Westinghouse in Hamilton which was struck for four months last year; also in another big local at the CGE plant at Peterboro, Ont. where the entire party line slate was defeated recently for local leadership.

Still more recently, a small UEW local at Smith and Stone, Georgetown, Ont., pulled out and into the AFL. But the blow-off was the decision of 19, (about three-quarters) of the executive and stewards of Local 507 at the Davenport Works of the CGE in Toronto to quit the UEW, and their attempts to switch the 12,000-man local over into the rival AFL International Brotherhood of Electrical Workers. Their attempts hadn't reached the conclusive stage at midweek.

This meant that at least half of the UEW was in varying stages of revolt against the red

(Continued on page 2, col. 2)

## *Name Wilbur Uren Timber Controller*

OTTAWA (Staff)—Wilbur E. Uren, director-general of the Priorities Branch, Dept. of Reconstruction, has been appointed Timber Controller. Terrence Flahiff, retiring controller, has been named assistant to the president of the Ontario Paper Co. and the Quebec North Shore Paper Co.

## Soil Pipe Deal Is Discarded

OTTAWA (Staff)—Despite Rt. Hon. C. D. Howe's optimism for an 80,000 housing goal in 1947, production of soil pipe remains one of the big headaches in the forthcoming battle for building materials and supplies.

The Financial Post is informed that the proposed deal whereby the Government would have subsidized a plant extension to the Anthes Foundry in Winnipeg, for production of extra soil pipe, has petered out.

Reason given here is that the company wanted too much government support. Original suggested cost to the Government for financing this plan was considered reasonable but apparently the most recent figure would have involved close to $1 million of federal funds.

One remaining hope is that it may be possible in 1947 to import some soil pipe from the U.S. So long as there is a price ceiling on this item this would mean a government subsidy to meet the higher U.S. price, but such a subsidy would be small compared with the proposed cost of the Winnipeg extension.

# Government 'Handouts' Higher in Postwar Era

OTTAWA (Staff) — Canada's national income dropped 4% in 1946 to $9.2 billions. This is within half a billion of the wartime peak of $9.7 billions, and nearly 150% above the 1939 total of $4.2 billions.

These are highlights of new figures released this week from the DBS. As well, the Bureau has released figures on "GNP"—"gross national product"—the final overall figure of the country's national books of account.

It is the figure which adds taxes and depreciation allowances on top of national income. It is a figure which balances evenly with a corresponding total of gross national expenditure. In short, GNP is supposed to add up all the "inflow" items in the national accounts. Gross national expenditure shows where the money is spent—and by whom.

**Estimate $11.1 Billions**

For GNP, the federal statisticians have come out with a preliminary 1946 estimate of $11.1 billions, only 3% less than the revised 1945 total of $11.5 billions; double the 1939 figure of $5.5 billions.

GNP is destined to become one of the most important and perhaps one of the most controversial of all national income estimates. The reason: it is the governing factor in the annual compilation of transfer tax payments in Dominion-Provincial tax proposals.

Thus the fact that 1946 and 1945 totals are now revised upward by $130 and $120 millions respectively, means that about $2 millions will have to be added to the latest federal tax transfer offer. These offers are based on a three-year averaging of GNP dollar totals.

One very important feature of the 1946 accounts is the important and continuing role of Government payments and their effect on personal income payments in Canada last year. The table on page 3 shows this clearly. Thus income payments have actually risen 4% despite a drop of 4% in national income. This is due almost entirely to a sharp increase in "transfer payments."

Transfer payments are mostly the payments by a government to its citizens, for which there is no corresponding direct payment in goods or services. For 1946, in addition to family allowances, there are heavy gratuity and special payments to war veterans. The over-all total (including some business transfer payments) is $1.5 billions—an increase of more than 70% over the 1945 payment of $849 millions.

This heavy reliance on government payments and transfers is also seen in the buoyancy on foreign trade in 1946 (Table II). From the table it can be seen that "current receipts" from goods abroad came close to the wartime peak of $3.6 billions. This was only possible in 1946 by heavy government loans and "gifts" for UNRRA export credits, etc.

# Plan to Sell Gov't Houses Rouses Protest

### Wartime Housing to Speed Disposal of Homes and Community Halls

Wartime Housing will speed the process of selling its "temporary" houses to interested tenants as announced last October by B. K. Bolton not long before he resigned as head of that agency. (It is now a branch of Central Mortgage & Housing, and headed by Maj.-Gen. H. A. Young). Community halls also will be offered for sale subject to municipal approval, with complete disposal of the halls targeted for July 31, 1947.

The plan to sell off government-owned rental housing in annual stages is contingent on approval of the municipalities concerned. That was made clear this week at Ottawa by Wartime Housing officials. Original government undertaking to municipalities was to remove the houses, not leave them standing and sell them to tenants.

Not all municipalities will go along with the plan. First protest came from Niagara Falls, whose Mayor William L. Houck wrote Labor Minister Humphrey Mitchell, protesting any proposal to sell the 260 houses and central hall in nearby Stamford Twp. wartime community. Community Tenant Council President Sidney Johnson was organizing his group for added protest via the Wartime Housing regional office at Hamilton.

Already sold in recent months —either to applying tenants under National Housing Act terms, or to industry and other applicants therough War Assets Corp. —have been 200 such houses at Sarnia, some at Nobel, Valleyfield and Sorel.

Whether municipalities themselves and private enterprisers will buy important groups of the houses to hold for rent, or whether the bulk will be sold to individual tenants isn't clear.

## $856 Millions Credits Used

OTTAWA (Staff)—British and foreign governments have used 46% of total export credits advanced to them at the last session of Parliament. Figures for individual loans were tabled this week in the House of Commons.

Total amounts authorized (including the $1¼ billion credit to Britain) were $1,844,500,000. Of these totals Britain has used 43% or $540 millions as at Jan. 31. A total of $856 millions has been paid out to all countries. This includes $6 millions of "encumbrances" but it does not include "commitments to purchase" made by individual countries over and above actual amounts drawn under the agreements.

The over-all statement of loan credits advanced up to Jan. 31, 1947, follows:

**Canada's Export Credits**

| | Authorized | Advanced |
|---|---|---|
| United Kingdom | 1,250 | 540 |
| Belgium ........ | 100 | 51 |
| China ........... | 60 | 17.6 |
| Czechoslovakia . | 19 | 3.9 |
| France .......... | 242.5 | 145.4 |
| Netherlands .... | 125 | 67.0 |
| Neth. East Indies | 15 | 5.4 |
| Norway ........ | 30 | 16.4 |
| U.S.S.R. ........ | 3 | 2.9 |
| | 1,844.5 | 849.6 |

## *Gov't Seeks to Keep 55 Wartime Orders*

OTTAWA (Staff)—Perusal of the Government's 55 continuing wartime orders in council shows them to cover mainly these groups; price control and subsidies; rental control, emergency shelter, labor relations, rationing, fishery regulations, steel and timber control, control over construction materials, old-age pension agreements, veterans' preference in the civil service, duty exemptions for coal, coke, bagging material and well-drilling machinery; Jap deportation and property.

Present board policy suggests that WPTB should be completely wound up by September. Donald Gordon, himself, is expected to return to the Bank of Canada early in April. His successor on WPTB would be Kenneth W. Taylor, now deputy chairman. Mr. Taylor is on loan from his new permanent job as economic adviser to the Department of Finance.

## Saguenay Adds To Ocean Fleet

### Buys Seven Park Ships in Program to Replace Pre-war Fleet

MONTREAL (Staff) — Additional tonnage for Canada's merchant fleet is indicated by the recent purchase of seven Park ships by Saguenay Terminals. These new acquisitions brings Saguenay's fleet up to a total of 12 ships and total deadweight tonnage just under 100,000 tons.

According to a company announcement this is part of a general rebuilding program to replace its pre-war fleet, 75% of which was lost due to enemy action. Included in the purchase are four 10,000-ton vessels and three 4,700-ton ships.

In May, 1946, Saguenay Terminals inaugurated a regular service between Canada and South American ports in Colombia, Venezuela, Curacao, San Domingo, Haiti and Central America. The three 4,700-ton ships will be used to implement this service. The larger ships will be added to the fleet carrying bauxite from British Guiana to Canada. Cargo for the return voyage to South America is picked up as opportunities offer.

In addition to ships owned, Saguenay also operates a number of vessels under charter arrangements. Shipments are handled through Montreal in the summer and Saint John and Halifax in the winter.

## *Sell $489 Million Can. Savings Bonds*

Sales of the Canada Savings Bond, the new peacetime security, totalled $489,203,050 from 1,197,502 individual purchases up to Dec. 31, 1946, the Bank of Canada reports. This averages $408.52 an application. (The sales period started Oct. 15, 1946.)

In establishments offering payroll savings facilities, the average purchase was $182.68. There were 623,840 purchasers (43.75% of all employees offered the plan) who purchased $113,965,450. Payroll results exclude railways, armed forces and civil service.

But other sales totalled $375,237,600 from 573,662 applications or an average of $654.10 an application.

The Canada Savings Bond was created largely because of the demand of Canadian employees and because a large number of employers felt it should be encouraged, the bank's report points out.

# Ceiling on Lumber Not Working 'Black' Prices Dominate—CLA

MONTREAL (Staff) — Canadian lumber producers and distributors over 1,000 strong this week eyed black market prices $15 per 1,000 higher than the ceiling and export prices $25 to $50 higher than that same ceiling and decided to do something about it.

Delegates—representing Canadian Lumbermen's Association's 1,100 member-firms operating mostly in the East and near-West —still hammered Ottawa in protest at effects of continued control on their own industry. They were if anything sterner in demanding immediate return to free marketing. But they put new interpretation and emphasis on federal control as a cause of, rather than a deterrent to maldistribution and price inflation; as a major hidden-cost factor in building, and hardship on all buyers of new housing, building, alterations and repairs using lumber.

The association by resolution now presses Ottawa to remove lumber price control 'immediately." On export restriction it demands, in the same resolution, revision of government policy "with a view to providing for the needs of the Canadian market while protecting the interests of the legitimate lumber export trade."

The flourishing black market actually sets the lumber prices in Eastern Canada, delegates claimed. Price decontrol, they said, would put the black market out of business without any drastic increase in prices.

On the export side, it is pointed out that the better-grade lumber, particularly from the West, is routed into the export market at the prevailing higher prices. Export buyers' reaction is that they are subsidizing the industry; that this condition is creating ill-will, particularly in the United Kingdom. About two thirds of western lumber is exported (one third of eastern production) and it is possible that a decontrolled industry would see western lumbermen getting less money for their exports.

**Attack Priority Order**

Also under attack at the convention was priority order No. 11 (B) and the way it was handed down. Lumbermen say the Timber Control Advisory Committee consisting largely of individuals active in the industry, has not been called on for advice for the past 18 months. The new priority order extends lumber control right back to the manufacturer and was issued in accordance with Reconstruction Minister Howe's recent pronouncement regarding housing. But, say the lumbermen, the whole thing will end in chaos with manufacturers trying to fill the same priority order for half a dozen different persons. Also, it will require dealers to sell lumber from stocks for which commitments have already been made.

**Keynoter Guerette**

Raoul Guerette set mood and tenor of the decontrol resolution in a presidential speech appealing to government to "snap the chains" as a means of speeding production. He drew attention to the months-old free market in United States where, he said, there had been "no material increase in prices."

He said present "actual" prices of lumber, sash and doors are 25% below the level of 1920 "when most of the industry was paying lower wages than today and operating without forest management and protection costs." But he warned against any steep hike. "Excessive prices, inferior quality or inadequate distribution will encourage substitutes and be seriously detrimental to the industry."

More lumber was distributed and used in Canada in 1946 than

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# King Policy Swings To Free Enterprise

### Four-point Pattern Set in Prime Minister's Speech Rejects Socialism, Forecasts Cuts in Federal Spending and Taxes

**By KENNETH R. WILSON**

OTTAWA (Staff)—A new pattern of wide import to Canadian business is now emerging from within the counsels and leadership of the Liberal party.

That pattern can be expressed in these broad objectives: 1—A firm and deliberate rejection of socialism; 2—Maximum encouragement to free enterprise; 3—Retrenchment in government controls and operations; 4—Consequent slashing in federal spending and eventually in taxes.

First public intimation of this policy came last week when Prime Minister King addressed the annual meeting of the National Liberal Federation. At this meeting Mr. King, for the first time, came out bluntly in support of free enterprise and rejected unequivocally any suggestion of a merger between Liberals and CCF forces.

Subsequently, the Government this week introduced new postwar measures designed to throw off the wartime mantle of regulation and regimentation as rapidly as possible.

The King statement of last week is described by party stalwarts as "long overdue but well worth waiting for." Apparently some such statement was expected last year when the Liberal leader was billed to address a meeting of commercial travellers in Toronto. But Mr. King was unable to keep the engagement and the party was kept in the dark.

Last week, at the opening meeting of the Federation's advisory council, Mr. King concluded his remarks as follows:

"When the time does come that someone else will have to follow in my steps, the only person I wish to have succeed me is one who is outstanding in the traditions of Liberalism and who will be true to its principles, one who today will fight Toryism on one side and Socialism on the other."

**Urged Individual Freedom**

Later at the concluding gathering of his party, Mr. King said: "The essence of Liberalism is the preservation of freedom, the freedom of the individual to develop his capacities and his powers in the most effective manner possible.

"If industry is to hold its own in world competition, the success of Canada in the future will lie largely in what we can do in enabling our industrialists to compete. We must come uppermost in world competition. Socialism aims at a system of regimentation whereby men and women will be given by the state the duties they are to perform and the manner in which these duties are to be performed, and the opportunity for the play of individual initiative is bound to be limited to a considerable extent.

"The Tory says, 'Let us do away with control,' That is what they have been saying in the country. On the other hand you have our friends of the CCF saying, 'We want controls maintained.' They think control should be extended first to one industry and another and kept on indefinitely. The Liberal party says that in the maintenance of controls for an unnecessarily long period lies a great danger to the state and we are not at all in favor of it. What we are in favor of is the principle of meeting a particular situation as it arises and as it exists having regard to the good of the many rather than the benefit of the few.

"Keeping that principle before us we have, I think, a very sure guide in distinguishing between the positions of the different parties.

"Under Liberal administration, rules are laid down within which the game shall be played, but the Liberal party will seek within these rules to afford as much liberty and opportunity for free enterprise as possible and for the

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## Inside News

### *Quebec Moves Ahead*

Quebec Province today is in the throes of postwar evolution, which promises to expand her present industries, and to build up many new ones. The Financial Post presents its annual survey of economic conditions the Dominion's largest Province (pages 31-43).

### *CCF Stock Slumping*

The CCF honeymoon is over, or nearly so, in Saskatchewan, Gordon L. Smith, assistant editor of The Financial Post, reports from Regina. He finds the Douglas Government's stock slumping, particularly among farmers; predicts an election in 1948, might put the Liberal party back in power (p. 14).

### *Catching Up on Savings*

Canadians who depleted their bank accounts to buy Savings Bonds last November, are rapidly making up the shortage. Bank deposits increased $118 millions during December, and are now only $32 millions below the high level established in October, just before the Bond campaign opened (p. 24).

### *Adjust Tax Burdens*

British Columbia and Quebec Legislatures opened this week; were expected to deal, among many other questions, with new provincial-municipal financial set-ups. Forty-hour week legislation for many industries is forecast in Saskatchewan. Manitoba will have no provincial income tax, in 1947 at least. Provincial Roundup (p. 7).

### *Long Distance Liability*

YOU may be held legally responsible for a motor accident, even though you are miles from the scene when it occurs. If your car is involved, you may be liable for damages, no matter who was driving it. The wise motorist will not drive a new car out of a dealer's premises, until it has been insured. How to Keep Out of Trouble (p. 15).

### *Wages at New High*

Canada's yardstick of hourly wage rates is at a new high level today. At Nov. 1 last, 740,000 wage earners averaged 72.7 cents an hour, more than two cents above the previous wartime record, and 8% higher than the figure for a year earlier (p. 13).

### *Chatham Catching Up*

Chatham, Ontario, was one of Canada's "forgotten cities" in the 1940-45 period; did not attract one wartime industry. But today it is in the midst of one of the Dominion's most active postwar expansion programs, and is bidding strongly for the title "City of the Year" (p. 15).

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# *75,000 New Canadians Here In '47 If Ottawa Acts Swiftly*

OTTAWA (Staff)—If the Government really puts some steam behind its new immigration regulations it is thought here that close to 75,000 immigrants might be brought to Canada in 1947.

Of this total, possibly 25,000 would come as "relatives" of people presently in Canada. The remainder could be obtained under the "assured employment" clauses of the new regulations. These clauses cover:

(a) A farm laborer entering Canada to engage in assured farm employment.

(b) A person experienced in mining, lumbering or logging entering Canada to engage in assured employment in any one of such industries.

Just what constitutes "assured employment" is not yet determined. It is suggested here that applicants may be required to agree to stay at least two years. Quite probably applications will be received from prospective employers, although one or two thousand farm laborers might be brought out "on spec" to indicate the sort of help available for immigration at the present time.

One important potential source of labor is the Baltic "refugee" people now in Germany and elsewhere. These people are rated as the best type of laborers and potential citizens obtainable anywhere. A difficulty here is the arrangement of proper medical facilities. As was shown in the recent Polish migration, a large number of Europeans today are actively TB. Thus no movement of this type will now be contemplated without having prospective applicants X-rayed before they leave Europe.

# Classified ADVERTISEMENTS

Classified ads. cost 4c. per word and figure for each insertion. Minimum ad. 12 words. Add six words when box number is required. When replies are to be mailed to advertiser, add 10c. Classified ads. payable in advance. Contract rates on application.

## Business or Agency Wanted

**GROUP OF** graduating Chemical Engineers wish to buy or lease a business or agency—a going concern—max. value $100,000. Give location, type of business and financial condition. Strictest confidence. Box 44, The Financial Post, Toronto.

## POSITION WANTED

**POSITION AS** Security Officer wanted by competent married man, age 51, with over twenty-five years practical experience in Police and Security work. Fully qualified to survey set up and administer all security matters. Excellent references. Write Box 18, The Financial Post, Toronto.

**PROSPECTOR WANTS** a grubstake, am going to Headless Valley. If interested write to Box 46, The Financial Post, Toronto.

## P. E. I. AGENCIES WANTED

**DUE TO** its small size and insular position, Prince Edward Island sales coverage from the mainland is expensive and apt to be haphazard. A resident sales representative will insure better results at less cost.

Enquiries solicited from manufacturers.
HARDIE AGENCIES LIMITED
135 Fitzroy Street, Charlottetown, P.E.I.

## South American Agencies Wanted

**CANADIAN MANUFACTURERS** and manufacturers' agents, specializing in automotive and allied lines, well represented in South America and British West Indies, have principal making a routine visit in February to all Latin American countries Canadian manufacturers, large and small, interested in developing their export business on a sound basis, please apply. Box 49, The Financial Post, Toronto.

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**SOUND AND** broad experience all phases of metal manufacturing industries and high record of achievement. Capable and tactful administrator of design, project analyses, methods, planning and production control. Seeks appointment as works manager, general superintendent, consultant or similar capacity, temporary or permanent. Box 29, The Financial Post, Toronto.

## ACCOUNTANT

**YOUNG, EXPERIENCED,** administrative, executive ability, desires responsible position. Replies in strict confidence. Box 53, The Financial Post, Toronto.

**ATTENTION MANUFACTURERS**

**YOUNG AGGRESSIVE** Manufacturers' Agent, headquarters Winnipeg, is in a position to consider one quality Houseware, Housefurnishing, or kindred line. Territory: Head of Lakes to West Coast. Display room. Box 32, The Financial Post, Toronto.

## POSITION WANTED

**MAN, AGE 44,** with wide experience in company, legal, secretarial and administrative work, is available to growing or established partnership or company in southwestern Ontario. Would consider investment in suitable firm. Box 54, The Financial Post, Toronto.

## AGENCIES WANTED

**MANUFACTURERS' AGENT** — Nova Scotia, general merchants, contractors principal clientele, requires additional lines. Will purchase existing agency. Box 57, The Financial Post, Toronto 2, Ont.

**INSURANCE AGENCY WANTED**

**GENERAL INSURANCE** agency wanted—Nova Scotia or Maritimes. Will buy existing business with head office approval. Correspondence confidential. Box 58, The Financial Post, Toronto 2, Ont.

**CAPABLE YOUNG** executive with responsible sales position in War Assets Corporation, seeks position in private industry. Full particulars forwarded on application to Box 50, The Financial Post, Toronto 2, Ont.

**FIDELITY LIFE ASSURANCE CO.** reports new business, in 1946 at over $3.5 millions or 24% over 1945. Total business in force is now nearly $15.7 millions, a gain of 18.5%. Total income was at a new high at over $500,000. Payments to policyholders and beneficiaries exceeded $150,000. Actuarial reserves are over $2.2 millions and surplus funds about $500,000. Of total assets of almost $3 millions, over 60% is in Dominion of Canada bonds.

# Union Balks Reds Plans Switch to AFL

(Continued from page 1)

leadership. C. E. Jackson, fiery international vice-president, whose political leanings match his red hair, decided something had to be done. He expelled the dissenters, arranged to have a temporary set of officers take their places, then got an injunction. This restrained the former officers from acting for Local 507 or dealing with, or disposing of its assets (believed to be around $2.800).

### Likely to Switch

Jackson's interim injunction expired on Wednesday. UEW policy was to get it extended. The anti-communist faction announced it would contest it and also call a membership meeting at which the issue would be finally thrashed out. At this meeting, the union would be asked to choose between switching to the AFL or staying with the UEW.

What happens in Local 507 remains to be seen but one thing is certain; the pro-communist leadership of some Canadian trade unions is being seriously challenged for the first time.

If recent history is any indication, it appeared more than likely that the local would get out of the UEW.

The split became apparent last August when the UEW District council tried tried to blitz the local into striking in sympathy with other UEW walkouts at Hamilton and Toronto. The leadership has always been at loggerheads with Jackson and his paid organizers.

The local leadership agreed to put the question to a vote, confident that the answer would be "No." But to make sure there would be no manipulation of the results as had occurred at one other UEW organized plant, they insisted on having an impartial observer at the vote-counting They picked a priest for the job. The result: 2-1 against a strike.

### Assail Anti-Strikers

In the pre-vote campaign the District council sent sound trucks up to the plant and issued pamphlets viciously attacking the anti-strike faction. They were branded "company stooges" and called enemies of labor. This sort of campaign created a solid bloc of resistance.

The split was further widened by the action of the UEW International convention in raising monthly dues from $1 a month to $1.50. Members of the local had paid $1 under protest; refused point blank to pay the $1.50.

Jackson turned on the heat and demanded the voluntary checkoff be implemented. This form of union security had been included in the contract with CGE. It provided that if the union got a majority of the bargaining agency to sign cards authorizing the company to deduct dues from their pay, the company would do so. The issue was simple. If the union wanted the checkoff badly enough, it could have it.

It meant that at least 600 would have to sign authorizations. A vote was held and only 200 were in favor. The rest just weren't interested even in paying dues, according to two of the expelled officers, Ruric Powell, chief steward and John Crawley, an executive member. They said the checkoff vote was lost because of animosity to the UEW leadership.

### Officers Walk Out

The matter was referred back to the stewards and the executive. Jackson attended and used the occasion to attack members of the executive including James Waugh, president. Jackson said Waugh was working in the interests of the company. The meeting broke up without settling anything.

A week later, at another executive meeting, the blowup came. Jackson was again present and had been told bluntly that his tactics were objectionable. Impetuously, the red-haired leader issued a challenge. In effect it was: shut up or get out. He dared the dissenters to go out and start another union, and demanded that President Waugh vacate the chair.

At that, 19 of the 26 officers present stalked out of the room. A few days later, they contacted the IBEW, seeking affiliation. Since then, the anti-communists have been attacked in pamphlets and banned from last week's meeting at which a temporary set of officers were named.

# King Policy Set In Four Points

(Continued from page 1)

display of spirit, energy and initiative."

Behind this statement is said to lie the combined counsel of party leaders, both east and west. From the West, report has it that Saskatchewan is rapidly tiring of socialism and would welcome a robust return to free enterprise doctrine on the part of the Liberal party.

Similarly from Quebec, it is reported that leading party men have told Mr. King his losses there can be directly traceable to the overdose of socialistic and bureaucratic activities in which the party and the Government became enmeshed during the war. Subsequently, as already indicated the practical applications of this philosophy are reportedly evident in new measures to get the Government out of controls as quickly as possible.

Further extensive measures toward retrenchment will be revealed in the forthcoming estimates and in Mr. Abbott's first budget.

How quickly these actions will be translated into tax relief is still under review. But there is no question that the temper of the party—as indeed of all parliamentarians—is that there must be further and immediate tax relief to individuals, beyond what was effected as at Jan. 1 by the 1946 budget. There seems no doubt whatever that the Government will take cognizance of this in its budget speech.

## Look For It Here

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**Feb. 15, 1947**

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GRANT W. G. McCONACHIE

**has been appointed President and Chief Executive Officer of Canadian Pacific Air Lines.**

# CPR Declares 75c. Dividend

MONTREAL (Staff) — CPR shareholders learned this week that their company's 1946 earnings position justified payment of 75c. per share. This dividend, at the rate of 3% on ordinary capital stock, will be payable March 31, 1947, to shareholders of record Feb. 24, 1947; and will bring total payments out of 1946 earnings to $1.25 a share (as in 1945 and 1944).

At the same time, directors issued a note of caution to shareholders. This latest dividend, it was pointed out, was only made possible by a considerable increase in income from investments and earnings from ocean steamships. Without assistance from these sources, plus sharply reduced fixed charges, the payment of $1.25 on the year's operations, or 5% on the company's ordinary capital stock, would have been impossible, the directors stated.

Key to the continuation of common stock on a 5% basis was held by the directors to lie in the future trend of railway revenues. These must "necessarily" be increased, they stated. Observers interpreted this to mean that future dividend policy on the common would largely be conditioned by the outcome of the railroads' request for a 30% freight rate boost. This, if granted, would establish for the CPR the same ratio between operating expenses and gross earnings in railroad operations as in 1940.

George A. Walker, K.C., has been appointed to the executive committee of the board, succeeding D. C. Coleman, who will continue as a director. Hon. C. A. Dunning, P.C., was appointed to the executive committee in place of the late Aime Geoffrion, K.C.; and Hon. F. Philippe Brais, K.C., was appointed a director, succeeding the late Mr. Geoffrion.

# Lumber Ceiling Not Working

(Continued from page 1)

in any pre-war year, Mr. Guerette said. His figures: the three billion feet shown in statistics, plus "a very large quantity" unreported from small mills.

Discussions throughout the three-day convention brought out some explanations by the industry for shortage in several key items of building lumber. Contractors and builders, it was said, couldn't get enough of these for the following reasons:

**B. C. fir**—Most being exported; most of small quantity retained in Canada can be sold to better advantage in the West, including heavy timbers, fir flooring, trim and millwork.

**Sash, Doors** — Importation of shop pine from United States interfered with by U. S. Government priority regulations.

**2 x 4's**—Government price control regulations make it much more profitable to manufacture 2 x 8's or 2 x 12's; milling facilities unnecessarily glutted by having to "rip" these in transit to produce 2 x 4's.

**Flooring** — Price regulations make it more profitable to "box" the heart of a hardwood log into squares than to rip it into 1-in. boards.

**Culls**—Consumer must accept a preponderance of culls because "the control makes it unprofitable to sell the upper grades in Canada."

# ANNOUNCING

Important Appointments in Canadian Industry, Finance, Business and Government.

**Alberta Association of Architects**—M. C. Dewar (Edmonton), president; John Stevenson (Calgary), C. S. Burgess, vice-presidents; Gordon Wynn, secretary.

**Associated Grocers of Alberta**—A. C. Jeffrey, president; L. Murgatroyd, secretary-treasurer.

**Building Products Ltd.** — R. J. Bishop, assistant general sales manager.

**Canada Steamship Lines Ltd.**—D. W. Ambridge, a director.

**Canadian Pacific Telegraphs**—G. G. Shaw, communications inspector, Calgary; L. J. Miloy, chief clerk to general superintendent, Winnipeg.

**Canada Vinegars Ltd.** — A. L. Spalding, chairman of board; L. L. Carsley, vice-president and general manager.

**Crown Life Insurance Co.**—Dr. H. G. Swan, assistant medical officer.

**Canadian Lumbermen's Association**—D. C. Johnston (Toronto), president; C. E. Smith (Blind River), vice-president.

**Canadian Pacific Air Lines** — Grant W. G. McConachie, president and chief executive officer.

**Canadian Pacific Railway Co.**—F. P. Brais, a director; G. A. Walker, Hon. C. A. Dunning, members executive committee, board of directors; E. C. Kerr, assistant to vice-president of finance.

**Canadian Draft Horse Council**—Hardy E. Salter (Calgary), president; G. Toupin (Oka, Que.) vice-president; T. B. Devlin (Winnipeg), secretary-treasurer.

**Canada Life Assurance Co.**—H. V. Laughton, a director.

**Canadian Pulp & Paper Association**—Aubrey Crabtree, R. L. Weldon, vice-chairman, executive board.

**Canadian Fruit Wholesalers' Association**—M. D. Lemon (Toronto), president; H. Ryerson (Brantford), B. Flewelling (Saint John, vice-presidents.

**Canadian Jewellers' Association**—G. Dinsmore (Toronto), president; D. E. Hutchison (Winnipeg), F. B. McFarren (Toronto) vice-presidents; N. J. Leach (Toronto), secretary-treasurer.

**Canada Foundries & Forgings Ltd. (Brockville)**—John T. Stevens, a director.

**Darling Brothers Ltd. (Montreal)**—A. J. Nickle, sales manager.

**Dominion Government** — Wilbur E. Uren, timber controller; J. Gordon Fletcher (Waterloo), annuities actuary, Dept. of Labor.

**Greek Government** — Geo. D. Vlassis, director, bureau of information, Greek Embassy, Ottawa.

**Great West Felt Co. (Elmira)**—D. R. Dattels (Kitchener), a director.

**General Truck Sales Ltd. (Vancouver)**—G. R. Beedie, service manager.

**Holstein-Friesian Association of Canada** — W. H. Hicks (Agassiz, B.C.), president; J. M. Fraser (Streetsville, Ont.), R. Ray McLaughlin (Oshawa), W. Ray Wilson (Kenmore), vice-presidents; G. M. Clemons (Brantford), secretary-manager.

**International Nickel Co.**—O. B. J. Fraser, assistant manager, development and research.

**International Chamber of Commerce**—J. Gordon Nelles (Montreal) general manager, Canadian section.

**Loblaw Groceterias Co.**—James Cormack, chief grocery buyer.

**Le Canada (Montreal)**—Guy Jasmin, editor-in-chief.

**Life Underwriters Association of Canada** — Ferdinand de Haerne (Montreal) president.

**Montgomery-Ward & Co. (Chicago)** — Fred Hudon (Montreal), eastern Canada sales representative.

**Montreal Locomotive Works Ltd.**—Herman Press (New York), a director.

**Manitoba Chamber of Mines**—W. J. MacDonald, president; J. D. McDonald, D. S. Ormond, vice-presidents.

**Noranda Copper & Brass Ltd.**—J. Y. Murdoch, chairman of board; Herman W. Steinkraus (Bridgeport, Conn.), president; M. W. Batchelor, operations vice-president; A. R. Zender, sales vice-president.

**Ontario General Contractors' Association**—Chas. Robertson (Brantford), president.

**Ontario Paper Co. (and Quebec North Shore Paper Co.)**—Terrence Flahiff, assistant to president.

**Provincial Bank of Canada**—L. J. Trottier, general secretary.

**Pilkington Bros. (Canada) Ltd.**—E. A. Bernard (Montreal) a director.

**Quebec Association of Architects**—A. J. C. Paine, Montreal, president.

**Quebec Power Co.**—Yves Montreuil, a director.

**Royal Trust Co.**—W. C. Mainwaring, W. Hobart Molson, members B. C. Advisory Board.

**Toronto Real Estate Board** — Frederic H. Bacque, president; H. A. LePage, George Brown, vice-presidents.

**War Assets Corp.** — Geo. A. Cruickshank, comptroller; Louis Richard, treasurer and deputy comptroller.

**NEW MARLON GOLD MINES** has received payment covering Feb. 1 underwriting installment on 65,000 shares at 30 cents. Issued capital, 1,873,253 shares.

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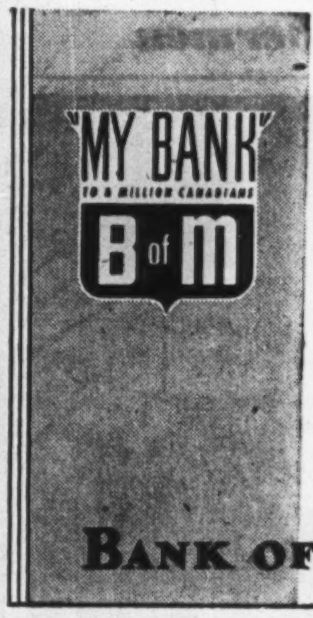

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**Labor Roundup**

# Noranda Strike Cost Miners $428,000 Will Take 4 Years to Recoup Losses

Settlement of the 79-day Noranda Mines strike without any provision for the key demand—the checkoff—is being taken as a broad hint that the scales of management-labor relations are returning to their pre-war balance after being weighted in favor of labor for the last seven years.

The significance of the settlement which added no laurels to the union leadership would not be lost on labor generally. The issue was union security, not wages. On this, Noranda did not back up an inch even though a conciliation board had recommended it.

All they agreed to do was permit a union official to use the company medical office outside the plant twice a month to collect dues. This provision was common in collective bargaining contracts in southern Ontario some years ago. However, the contract provides that any provincial or federal measure of union security which may be enacted, will become part of the agreement.

What did the hardrock miners of Noranda win; what did they lose?

They got a 13c. an hour raise. This was 3c. more than they were offered before the strike. The raise would give them about $360 more a year. (41% over 1939.) They also got $115 in retroactive pay.

But they lost about $428,000 in wages. A little figuring would show them it would take four years to regain what they'd lost in not quite three months. And they didn't even have any union security concessions to charge the strike cost against. If they'd won the checkoff, there might be some reasons to consider the cost worth it.

There was the possibility that the settlement might have an effect on the rest of the industry but in view of the fact that a blanket 10c. was granted recently, there appeared to be no crisis impending over the differential.

Ten cents of the Noranda increase is retroactive to May 16, the effective date of the company's original offer of 7c. The 13c. is retroactive to Nov. 1. The raise boosts the average pay for Noranda's 1,000 men to 85c.; laborers will get 68c.

The company agreed to reinstate all employees within 14 days, if practicable. In addition to dropping its demand for the checkoff, the union also withdrew the proposal for off-shift premiums. Wage demands were cut from 16c. to 15c. before the company's final offer was accepted.

• • •

### N. S. Fishermen's Strike No Nearer Settlement

The end of the Noranda dispute meant that the last hold-over strike from 1946 had been settled. It also cut the number of strikes in effect in Canada to four and reduced the ranks of the strikers to around 600.

Now the No. 1 industrial dispute is the Nova Scotia deep sea fishermens' strike. Called Dec. 30, by 500 members of the Canadian Fishermen and Fisher handlers' union (CCL) it has tied up the Province's 30-vessel fleet. A secondary, but direct effect was the closing of processing plants which threw 700 people out of work.

Latest hope for settlement is the intervention of Labor Minister Currie. Here, too, union security and recognition appears to be the chief issue, for, according to R. P. Bell, president of National Sea Products, only issues involving $20 a year to each crewman separates companies and union on money matters.

For some time many Nova Scotians have realized that the whole affair, to a large extent, has resolved into a personal battle on the part of H. C. Meade, main directing force of the union against National Sea Products and R. P. Bell, president.

The revival of the long dormant Master Mariners' Association and its injection into the dispute, didn't help matters. Led by Capt. Angus Walters, former skipper of the famous Bluenose, the association came out on the company side.

The union charged it was company-sponsored; Walters, Meade said, hadn't skippered a ship for years. Lately he'd been running a dairy, Meade added. The attack and counterattack proved nothing; hindered rather than helped settlement.

Matters were further complicated by the Nova Scotia Supreme Court decision reversing a National War Labor Board finding that fishermen were employees within the meaning of PC 1003. Until then, the strike was illegal. Now it was technically legal. The decision was being appealed by the union and the federal department of labor was reviewing it too for implications involving federal jurisdiction.

Another factor favoring Meade's one-man direction of the strike is the reasonably comfortable circumstances most fishermen are in. Most have a little nest egg; considerable strike-aid sums have been donated. The Atlantic in winter is no place to spend a vacation so all-in-all the enforced holiday hasn't been too hard to take. They were more than ready to take Meade's communist-flavored advice and quit work.

However, their concern with the present, blinded them to the future. Few realized that their strike was undermining Nova Scotia's market for fish in the United States. With coal, this is the Province's life-blood. What made matters worse was the fact that the strike came at a time when the United States was being asked to raise tariffs on Canadian fish imports. If the strike is prolonged, the fishermen could strike themselves out of the lucrative U. S. market entirely and start a decline toward the poverty levels of the early '30's.

• • •

### U. S. Management Opposes Mediation Board Plan

Growing management opposition to create a federal mediation board as part of the Republican program to curb labor excesses became apparent as the U. S. Senate Labor committee began open hearings on the proposed antistrike bills now before Congress. The opposition, apparently unexpected, caused House and Senate leaders to take a second look at the contemplated legislation.

One of the chief objectors is the National Association of Manufacturers. This group agrees for once with Labor Secretary Schwellenbach, that a Mediation board would hamper free collective bargaining. Another objection: unions may be inclined to appeal to a Mediation board in every dispute arising. During the war, for example, nearly every labor dispute ended up before the War Labor Board.

Another: There is a danger that out of Mediation board findings a code of rules might emerge which could easily become standard union demands. During the war, for instance, the War Labor Board ordered maintenance of membership clauses in virtually every settlement, so that this form of union security became almost standard practice.

Last year Congress approved the mediation board principle in the Case bill which, however, was vetoed by President Truman. Whether enough opposition will develop to defeat the plan in Congress this time is not clear yet; but the industry viewpoint is sure to carry a lot of weight, especially with Republican labor experts like Taft, Ball and Smith.

• • •

### Union Politics Complicates Lengthy Allis-Chalmers Strike

A clergyman and his wife's baked ham, sweet potatoes and popovers almost brought about a settlement of the stubborn, drawn out (nine months), often violent Allis-Chalmers strike at Milwaukee, the last big holdover from strike-torn 1946. The minister brought company and union together; his wife's cooking helped smooth out some of the personal rough spots. The company made an offer that was scarecely any different to that proposed before the strike; Walter Reuther, youthful president of the United Automobile Workers Union accepted.

But there was no clergyman around to mediate when Reuther put the offer before the UAW policy committee in Detroit a few days later. There was no one to bridge the gap between the Reuther right-wing faction and the R. J. Thomas-George Addes, left wing group. The result: no settlement.

This was fine by the leadership of the Allis-Chalmers local, which was tinged with the same reddish hue as the Thomas-Addes group; but it wasn't very palatable to the 8,000 still on strike. Another 4,000, fed up to the teeth with internal dissension and political wrangling, had gone back to work. More were going back every day. Already the strike had cost $20 millions in wages; the company had lost $35 millions in production. Heads had been broken; houses splattered with paint; cars burned and overturned; rocks heaved.

Last week, the faction-ridden UAW got more than a broad hint of how the rank and file felt. A rival, independent union had petitioned for certification as bargaining agent. Eight thousand workers voted; the new union lost by a scant 100. Unless a recount changed the vote, it appeared that Local 248 UAW would remain the collective bargaining agency and the strike would go on.

• • •

### 200,000 Veterans Return To Their Civilian Jobs

More than 200,000 of the one million Canadian men and women who joined the navy, army or air force, have returned to their old jobs, reported Arthur McNamara, Deputy Minister of Labor. He said only four prosecutions had been necessary under the Reinstatement in Civil Employment Act. This he termed "a tribute to employers generally, who sincerely desire to see returning veterans re-established." In many cases, he added, employers have gone far beyond the legal reinstatement requirements by giving returning men or women better jobs than they had when they left. Of those who haven't returned to pre-war positions, 86% found new jobs within two months.

• • •

### B. C. Teachers Want Closed Shop, Checkoff

A brief submitted last week to the British Columbia Government by the B. C. Teachers' Federation, focuses attention on a feature of teacher-school board relations which is not widely known; in every province but B. C. and Nova Scotia, teachers have a closed shop and the checkoff! Of course, teachers don't use these basic trade union terms. When they refer to these clauses in their agreements, the closed shop is "automatic membership," the checkoff, "deduction of annual fees."

Now B. C. teachers want both because: "our desire is . . . to lend full support to the Government in its desire to raise the level of public education." Their five-page brief urges that every teacher be required to join the federation and that the Government deduct annual federation fees from school grants and turn them over to the federation. The school boards would then deduct the required amount from each teacher's salary.

Also requested, was authority to suspend or expel any teacher from membership. This would bring with it suspension or dismissal from a public school position. However, the suspended or expelled teacher would have the right to appeal to the Council of Public Instruction. This body would have the final say, also, as to whether a teachers certificate should be suspended and for how long.

## Canada's Balance Sheet for 1946

See Story Page 1

### I. NATIONAL INCOME AND GROSS NATIONAL PRODUCTION

(In millions of dollars)

| | 1939 | Revised Prelim. 1945 | Prelim. 1946 |
|---|---|---|---|
| Salaries, wages and supplementary labor income | 2,540 | 4,865 | 5,112 |
| Military pay and allowances | 32 | 1,132 | 315 |
| Investment income | 782 | 1,916 | 1,776 |
| Net income of individual enterprise, agricultural and other | – 867 | 1,674 | 2,009 |
| NET NATIONAL INCOME | 4,221 | 9,587 | 9,212 |
| Indirect taxes less subsidies | 743 | 1,006 | 1,237 |
| Depreciation allowances and similar business costs | 528 | 711 | 756 |
| Residual error | + 3 | + 174 | — 76 |
| GROSS NATIONAL PRODUCT | 5,495 | 11,478 | 11,129 |

### II. GROSS NATIONAL EXPENDITURE

(In millions of dollars)

| | 1939 | Revised Prelim. 1945 | Prelim. 1946 |
|---|---|---|---|
| **Government expenditures—** | | | |
| (a) War — Goods and services excluding Mutual Aid | 75 | 1,816 | 735 |
| War—Mutual Aid, etc. | .. | 1,041 | 200 |
| (b) Nonwar | 703 | 850 | 1,000 |
| **Gross investment at home—** | | | |
| (a) Plant and equipment | 490 | 823 | 1,100 |
| (b) Inventories—Wheat Board | 94 | — 212 | — 33 |
| Inventories—Other | 215 | — 166 | 308 |
| Personal expenditure on consumers' goods and services | 3,799 | 6,824 | 7,383 |
| **Add** current receipts from abroad for goods and services, excluding Mutual Aid, etc. | 1,452 | 3,590 | 3,225 |
| **Deduct** current expenditures abroad for goods and services | —1,331 | —2,914 | —2,865 |
| Residual error | — 2 | — 174 | + 76 |
| GROSS NATIONAL EXPENDITURE | 5,495 | 11,478 | 11,129 |

### III. PERSONAL INCOME PAYMENTS

(In millions of dollars)

| | 1939 | Revised Prelim. 1945 | Prelim. 1946 |
|---|---|---|---|
| Net national income | 4,221 | 9,587 | 9,212 |
| **Add:** Transfer payments (mostly governmental) | 347 | 849 | 1,469 |
| **Less:** Employer and employee contributions to social security and industrial pension funds | 53 | 179 | 198 |
| **Less:** Components of investment income not paid out to individuals | 344 | 1,443 | 1,311 |
| PERSONAL INCOME | 4,171 | 8,814 | 9,172 |

The
British Mortgage & Trust
Corporation of Ontario
STRATFORD

Balance Sheet, December 31st, 1946

ASSETS

CAPITAL ACCOUNT:

| | | |
|---|---|---|
| Office premises | | $ 48,663.48 |
| Real Estate for sale | | 47,728.00 |
| Mortgages— | | |
| Principal | $ 44,530.65 | |
| Interest due | 154.76 | |
| | | 44,685.41 |
| Government Bonds: Principal | | 37,419.57 |
| Canadian Municipal Bonds: Principal | | 31,227.97 |
| Stocks | | 1,635,796.00 |
| Cash on Hand and in Bank | | 175,132.67 |
| Advances to Estates | | 636.06 |
| TOTAL CAPITAL ASSETS | | $ 2,021,289.16 |

GUARANTEED TRUST ACCOUNT:

| | | | |
|---|---|---|---|
| Mortgages and Agreements for Sale: | | | |
| Principal | $ 2,918,994.86 | | |
| Interest due | 546.64 | | |
| | | $ 2,919,541.50 | |
| Dominion Government Bonds: Principal | | 4,883,396.70 | |
| Provincial Government Bonds: Principal | | 408,847.29 | |
| Canadian Municipal Bonds: Principal | | 50,918.82 | |
| Stocks | | 311,712.50 | |
| Cash on Hand and in Bank | | 348,143.98 | |
| TOTAL GUARANTEED TRUST ASSETS | | | $ 8,922,560.79 |

ESTATES DEPARTMENT:

| | |
|---|---|
| Estates, Trusts and Agency Funds | $ 791,053.93 |
| | $11,734,903.88 |

LIABILITIES

CAPITAL ACCOUNT:

| | |
|---|---|
| Capital Stock Fully Paid Up | $ 1,000,000.00 |
| General Reserve Fund | 850,000.00 |
| Reserve for Taxes | 52,275.43 |
| Profit and Loss Credit Balance | 78,371.25 |
| Dividends Payable 2nd January, 1947 | 40,000.00 |
| All Other Liaabilities | 642.48 |
| TOTAL CAPITAL LIABILITIES | $ 2,021,289.16 |

GUARANTEED TRUST ACCOUNT:

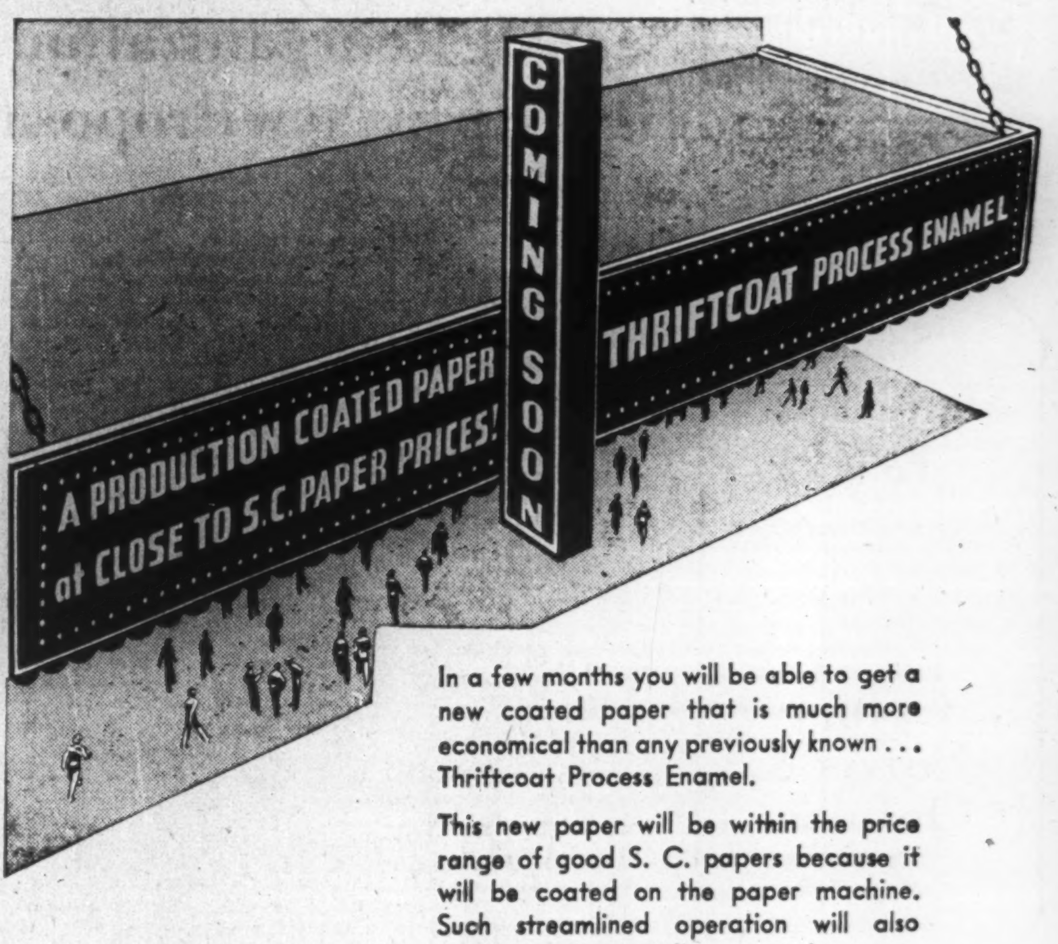
| | | |
|---|---|---|
| Guaranteed Investment Receipts— | | |
| Principal | $ 4,117,919.59 | |
| Interest Due and Accrued | 40,311.03 | |
| | | $ 4,158,230.62 |
| Trust Deposits— | | |
| Principal and Interest | | $ 4,764,330.17 |
| TOTAL GUARANTEED TRUST LIABILITIES | | $ 8,922,560.79 |

ESTATES DEPARTMENT:

| | |
|---|---|
| Estates, Trusts and Agency Funds | $ 791,053.93 |
| | $11,734,903.88 |

NOTE: Bonds and Stocks are carried at book value, which is less than market value.

NELSON MONTEITH, *President.*
W. H. GREGORY, *Managing Director.*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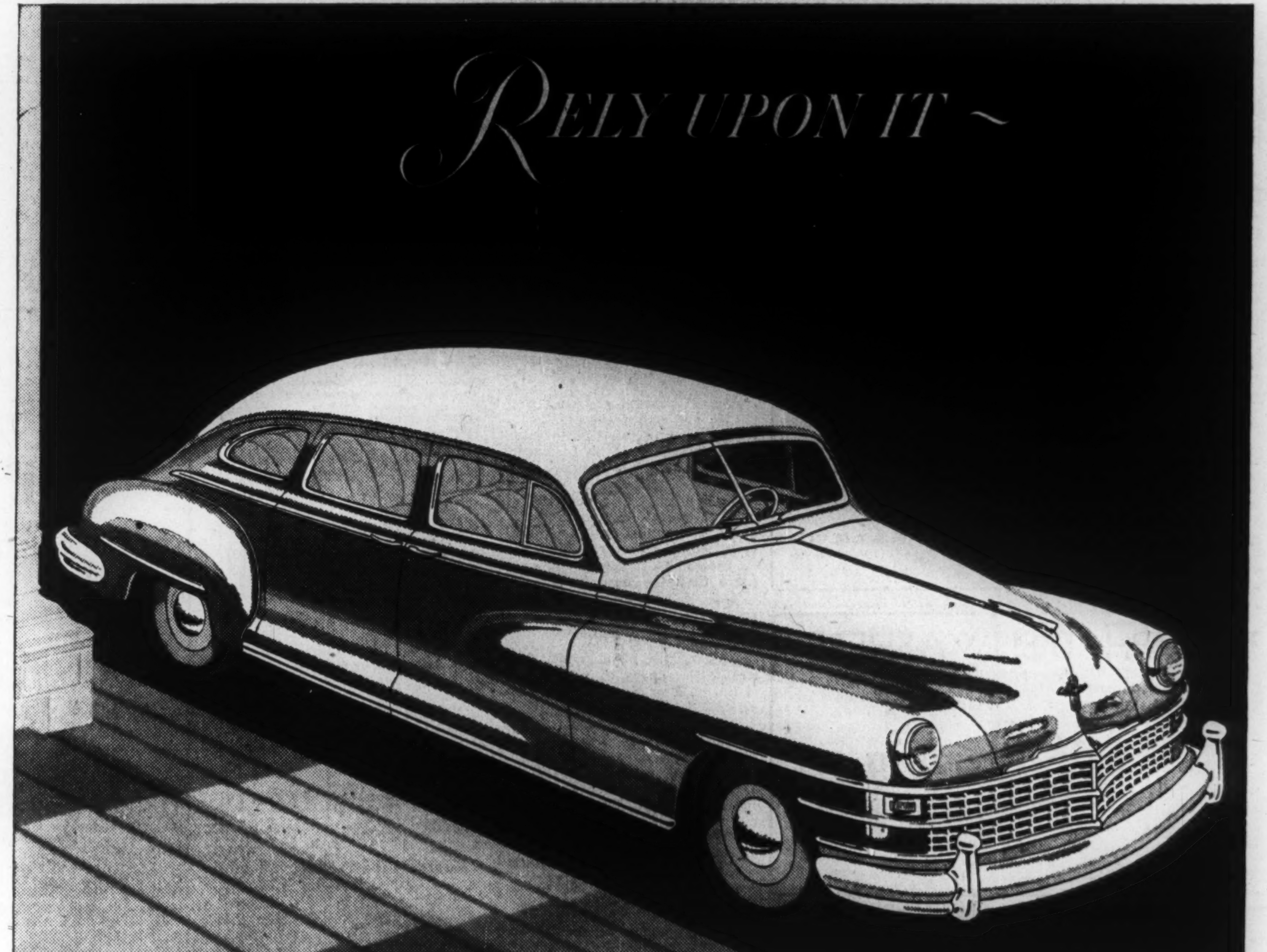

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Montreal Stock Exchange
Montreal Curb Market

**CONSOLIDATED BEATTIE MINES** has received payment for 81,250 shares at 80 cents a share under agreement with David H. Angus and has optioned 485,660 shares at 80 cents a share, payable $65,000 monthly to August.

OFFERING OF 60,000
7% CUMULATIVE REDEEMABLE PREFERENCE SHARES
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BOX 60, THE FINANCIAL POST, TORONTO

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AS A PARTNER OF THIS FIRM EFFECTIVE
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J. B. WHITE R. J. HOLMES K. V. DEAN

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Direct wire to Montreal and Quebec City
We are acting as Agents only in the sale of the above Company's shares)

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## INVESTMENTS THIS WEEK

# See All Reorganizations Held Up by New Proposal

Investors generally, and holders of Abitibi Power 5% bonds in particular, were startled by the announcement of new Dominion legislation which would be applicable to future reorganization, with special provision to bring in last year's reorganization of Abitibi Power & Paper. Other reorganizations, now under discussion, will likely have to await the results of the proposal.

Hon. D. C. Abbott announced he would introduce legislation to provide for taxation, as income, of the portion of funding or refunding bonds, shares or other securities issued for unpaid interest or dividends or other liabilities of an income nature. The taxation would be imposed in the year the new security is received "with appropriate provision for valuation and apportionment of the taxable content." Similar legislation has been in force in the United Kingdom for a number of years, it is stated.

Immediately affected by the announcement are holders of Abitibi Power & Paper 5% bonds whose contemplated redemption is indicated as one reason for Mr. Abbott's announcement. A special provision will make the amendment apply to persons to whom Abitibi's 5% refunding bonds were issued and make the income portion taxable in 1947. As $522.73 of each $1,000 5% bond represented accrued interest, this will be a heavy blow to any holder who actually exchanged the old bonds for new last year and who is subject to income tax in 1947.

There is a strong feeling in investment circles that this represents a breach of faith with the Income Tax Division's ruling made at the time of the issue—that the income portion on payment at maturity or on prior redemption would be treated as income in the hands of "the then holder."

The proposal, it is argued, would be particularly unfair to investors who relied on the department's ruling and purchased the bonds just prior to the exchange. Many holders have since sold the bonds and used the proceeds so that the imposition of an unexpected tax liability might impose a hardship. Some trust companies, acting for estates, are said to be concerned over this aspect.

Representations on the Abitibi proposal are considered likely to be made by the Investment Dealers Association and others, The Financial Post understands.

Certainly, clearing up the uncertainty regarding the income tax status of arrears' settlements in reorganizations is highly desirable. But the Government should consider all the implications of the actual legislation before finalizing it. The Government does not want to make it too difficult for firms to reorganize to clear up arrears when necessary.

A good deal will depend on the "appropriate provision for valuation and apportionment of taxable content." Most reorganization plans take cognizance of the effect of taxation on security holders.

Another factor to be considered will be the position of holders of preferred stocks where the compensation for arrears lies in the difference between the par value of the new securities and the call price. It would be unfair to tax them on the difference on receipt of the new securities if the market price were below the call price.

* * *

### *Annual Reports*

Shawinigan Water & Power Co. is inaugurating a new policy in regard to publication of its annual report and financial statements. The statements, including auditors' report have been forwarded to shareholders but the annual report of the directors will be presented at the annual general meeting Feb. 20 and then sent to shareholders.

There are two possible reasons for this: (1) to get the statements to shareholders as soon as possible and (2) to stimulate attendance at the annual meeting. The first is desirable but there are two schools of thought about the second. One school agrees that it will improve attendance at the meeting. The other feels that shareholders should also have the directors' report in advance to decide whether they should attend and ask questions.

It will be interesting to see the result of the new policy on attendance at Shawinigan's meeting. A better and more "alive" attendance at all company meetings is to be desired.

* * *

Annual reports of some companies are still coming in without any remarks or the statement that remarks will be forwarded later. Executives operating a business should be familiar enough with it to give some review of operations and prospects. Further they should feel their responsibility to their employers — the stockholders — requires more than the bare figures.

* * *

### *Expect Preferred Issue For Great West Felt*

A new issue of 5% convertible preferred shares of Great West Felt Co., Elmira, Ont., is expected to be made shortly by D. R. Dattels & Co., Kitchener, Ont., investment firm, The Financial Post understands. Great West Felt is said to be the largest felt shoe manufacturer in the world, employing about 260.

---

GOOD RICH REFINING COMPANY LIMITED

NOTICE OF REDEMPTION

**TO: The holders of the Secured Debentures maturing December 15th in each of the years 1947, 1948, 1949, 1950, 1951, 1952, 1953, 1954 and 1959 of GOOD RICH REFINING COMPANY LIMITED**

NOTICE IS HEREBY GIVEN that Good Rich Refining Company Limited (hereinafter called "the Company") intends to redeem on the 15th day of March, 1947, pursuant to the terms of the Trust Deed made by the Company in favour of The Toronto General Trusts Corporation, as Trustee, dated as of December 15th, 1944, all of the above-mentioned outstanding Secured Debentures at par in lawful money of the Dominion of Canada with a premium in the case of the said Debentures maturing in the years 1947, 1948 and 1949 of one-half of one per cent. (½ of 1%) thereon, in the case of the said Debentures maturing in the years 1950 and 1951 of one per cent. (1%) thereon, in the case of the said Debentures maturing in the years 1952, 1953 and 1954 of one and one-half per cent. (1½%) thereon, and in the case of the said Debentures maturing in the year 1959 of three and one-half per cent. (3½%) thereon, together with interest on the principal amount thereof accrued thereon to the said 15th day of March, 1947, upon presentation and surrender of such Debentures, together with all interest coupons appertaining thereto maturing after the said date, at any branch in Canada (Yukon Territory excepted) of The Dominion Bank.

AND NOTICE IS FURTHER GIVEN that in case such Debentures be not presented for redemption on the date and at the place or places above specified, all interest thereon shall cease from and after the said date.

DATED at Port Credit, Ontario, this [illegible]0th day of January, 1947.

OOD RICH REFINING COMPANY LIMITED

C. G. JOHNSTONE,
President.

---

# Abitibi Power Bonds Offered

Formal offering of the new issue of $45 million Abitibi Power & Paper Co. 3½% first mortgage bonds is being made this week by a syndicate headed by Wood, Gundy & Co. The issue consists of $10 million serial bonds due Apr. 1, 1948-57 ($1 million a year) which have been sold privately and $35 million sinking fund bonds due Apr. 1, 1967 which are offered at par and accrued interest.

Proceeds, together with other funds, will be used to retire the outstanding $53,093,700 5% bonds due 1965 on or about Apr. 1, 1947. Retirement of these bonds and discharge of the covering trust deed will mean the company will be returned to control of its common shareholders.

The prospectus gives shareholders the first opportunity to examine results for the year 1946 and to see the balance sheet of Dec. 31, 1946. Because of the urgency in connection with the refunding, it was not possible to prepare the annual report in time to mail it to shareholders prior to the refunding, President D. W. Ambridge states. (For financial results see story page 4.)

Plans for the improvement of productive facilities are being proceeded with to increase both output and efficiency and to diversify production, President Ambridge states. The conversion of the mill at Sturgeon Falls, Ont. to produce corrugating board is now in progress and operations are expected to begin in the second half of 1947. An addition is being made to the Port Arthur newsprint mill to modernize operations and increase output. At Smooth Rock Falls, a caustic extraction stage in the bleaching process is being installed. A research program is under development at Sault Ste. Marie, where a modern research laboratory is being built.

Further extensive capital expenditures are in contemplation and will be proceeded with as materials become available.

**D. P. HATCH**

**of Montreal, President of the Canadian Exporters' Association, has been elected a director of the Canadian Section of the International Chamber of Commerce.**

## COMPANY REPORTS

**ABITIBI POWER & PAPER CO.** highlights of the financial statements for the year 1946 shown in the prospectus covering the new bond issue include:

Income before depreciation, bond interest and income taxes of $20,810,942 or double the 1945 figure of $10,364,874.

Depreciation charge reduced to $3,109,333 ($3,750,000 in 1945). The annual provision allowable in respect to assets at Apr. 30, 1946 will, for the next six years, amount to about $2.6 million and thereafter will be reduced.

Net profit for the year of $5,600,206 of which $1,453,653, earned prior to Apr. 30, 1946 (when the company came out of receivership), was carried to previous operating deficit. The $4,146,553 earned after Apr. 30 is shown as earned surplus.

Net profit for the whole year is equal to $112 ($34.39) a $2.50 preferred share; $3.92 ($1.14) a $1.50 preferred share and $2.72 (deficit $0.40) a common share.

Properties, plant and equipment have been restated at values set by Coverdale & Colpitts at Apr. 30, 1946.

The surplus of $20,425,054 arising from restatement of assets was applied in absorbing the profit and loss deficit at Apr. 30, 1946 of $12,227,635 and in reducing the book values of timber concessions, agreements, licenses and waterpower rights.

Working capital amounted to $24,247,619 ($26,894,657). About $9,350,000 will be required for the bond redemption, it is stated.

RESULTS FROM OPERATIONS

| Years Ended Dec. 31: | 1946 | 1945 |
|---|---|---|
| Total income | $20,810,942 | $10,593,764 |
| Less: Expenses | ...... | 228,890 |
| Bal. avail. for depreciation & bd. int. | 20,810,942 | 10,364,874 |
| Less: Depr. & depl. | 3,434,333 | 3,948,732 |
| Int. accr. for yr. | 2,751,403 | †2,556,653 |
| Res. for U. S. funds re int., etc. | ...... | 268,449 |
| Emp. pens. fd. | 750,000 | ...... |
| Inc. tax | 8,275,000 | 1,750,000 |
| Balance | *5,600,206 | 1,841,040 |

*Incl. profits of $1,453,653 earned under receivership Jan. 1, to Apr. 30, 1946, and carried to previous operat. deficit.

†Incl. int. on int.

**Earnings Per Share:** (In 1945, based on earnings after deprec., depletion and income taxes as shown, but providing $2,946,700 for new bond interest).

| | 1946 | 1945 |
|---|---|---|
| $2.50 pref. | $112.00 | $34.39 |
| $1.50 pref. | 3.92 | 1.14 |
| New com. | 2.72 | d0.40 |

CONDENSED CONS. BALANCE SHEET

| As at Dec. 31: | *1946 | ▪1945 |
|---|---|---|
| Cash & Dom. bds. | $11,539,038 | $12,372,928 |
| Accts. rec. | 6,265,245 | 7,796,755 |
| Bd. invests. | 194,603 | 204,553 |
| Inventories | 17,528,984 | 9,995,535 |
| Total curr. assets | 35,527,870 | 30,369,771 |
| Suspense account | ...... | 11,729 |
| Prepaid exp. | 543,648 | 365,558 |
| Misc. assets | 415,177 | 83,646 |
| Invest. & adv. sub. | ...... | 30,887,918 |
| Misc. invests. | *5,710,023 | 1,500,635 |
| Fixed assets | 82,671,921 | 41,865,904 |
| Nomin. deficit | ...... | 6,676,197 |
| Oper. deficit | ...... | 11,616,760 |
| Total assets | 124,868,639 | 123,378,118 |
| Total curr. liabs. | 11,280,251 | 3,475,114 |
| Contingent res. | ...... | 550,000 |
| Creditors' cls. | ...... | 733,370 |
| Credit. conting. res. | 1,500,000 | 1,500,000 |
| Funded debt | 53,092,700 | 25,240,175 |
| Accr. int., etc.† | ...... | 26,832,724 |
| Capital stock | 54,848,125 | 54,846,735 |
| Earned surplus | 4,146,553 | ...... |
| Working capital | 24,247,619 | 26,894,657 |

†Includes interest on interest and exchange res.

▪Receivership general balance sheet.

*Provincial Paper & G. H. Mead Co.

**EMPIRE LIFE INSURANCE CO.** reports an increase of 24% in new insurance placed in 1946, bringing total business in force to almost $71 millions, 15% more than in 1945. Receipts from all sources gained 17% to $2.7 millions, while policy payments were approximately $1 million. Of this, almost half comprised payments to living policyholders. Total asets rose by over $1 million to $14.7 millions. Rate of interest earned was $3.9% (4.42% in 1945).

| | 1946 $ | 1945 $ |
|---|---|---|
| Insurance in force | 70,970,105 | 61,721,225 |
| New insurance | 14,282,634 | 11,482,841 |
| Total receipts | 2,767,923 | 2,358,620 |
| Premiums | 1,821,395 | 1,570,793 |
| Investment income | 839,572 | 710,967 |
| Policy payments | 999,712 | 862,775 |
| Expenses & taxes | 716,598 | 605,320 |
| Sh'holders divds. | 12,530 | 12,528 |
| Other payments | 2,148 | 1,006 |
| Liabs. to pol'holders inc. actuarial res. | 13,162,841 | 12,318,263 |
| Taxes & expenses | 85,836 | 62,860 |
| Liabs. to sh'holders inc. capital | 639,915 | 629,616 |
| Special reserves | 436,269 | 309,418 |
| Free surplus | 450,061 | 405,547 |
| Int. earned | 3.93% | 4.42% |

**NORTHERN LIFE ASSURANCE CO.** of Canada, had $92 millions of life insurance in force on Dec. 31. New business settled for, exclusive of revivals and increases was $17.6 millions, 52½% over 1945. Income from all sources was $3.3 millions, almost $500,000 more than in the previous year, and disbursements $1.7 millions. Of this amount $464,688 was paid to living policyholders. Policy loans decreased during th year. Free surplus increased to $451,149.

Rate of interest earned on invested assets declined from 3.90% in 1945 to 3.70% in 1946. Continued expansion of the company's mortgage financing is expected to stabilize the rate at or above this figure.

| | 1946 | 1945 |
|---|---|---|
| Insurance in force | $92,027,276 | $78,114,776 |
| New insurance | 17,663,993 | 11,589,106 |
| Total income | 3,339,940 | 2,878,038 |
| Premiums | 2,224,045 | 1,894,788 |
| Int., divds., rents. | 651,727 | 607,315 |
| Policy payments | 973,213 | 827,556 |
| Expenses and taxes | 694,162 | 536,055 |
| Other payments | 97,430 | 75,333 |
| Ledger assets w/o | 144,510 | 75,618 |
| Liabs. to pol'hold. inc. actuarial res. | 16,512,886 | 15,214,261 |
| Liabs. to sh'hold. inc. capital | 280,500 | 267,608 |
| Other liabs. | 217,393 | 181,606 |
| Sp. reserves | 405,729 | 349,308 |
| Total assets | 17,867,657 | 16,414,800 |
| Surplus | 451,149 | 402,016 |
| Int. earned | 3.70% | 3.90% |

**ECONOMICAL MUTUAL FIRE INSURANCE CO.** reports an increase of $551,749 in total assets to $4.6 millions. Total bonds held amounted to $3.5 millions of which 93% are Dominion Government issues. Premiums in all departments were higher and loss ratios lower. Policyholders' surplus was $323,000 higher at $3.3 millions.

President Henry Knell in his report stressed the need of greater care in preventing fire and automobile accidents if premium rates are to be reduced.

| | 1946 | 1945 |
|---|---|---|
| Total assets | $4,632,447 | $4,080,697 |
| Bonds | 3,527,119 | 2,886,293 |
| Mortgages | 420,697 | 643,559 |
| Stocks | 206,565 | 196,798 |
| Cash | 138,700 | 92,019 |
| Total premiums | 1,834,806 | 1,377,034 |
| Fire | 923,790 | 732,658 |
| Auto | 633,124 | 452,937 |
| Casualty | 277,892 | 221,439 |
| Loss ratios earned | | |
| Fire | 49.7% | 57.7% |
| Automobile | 42.3% | 44.8% |
| Casualty | 49.5% | 57.4% |
| Total liabs. | 1,265,473 | 1,036,730 |
| Net reserves | 844,708 | 663,909 |
| Prov. for unpd. clms. | 230,451 | 225,759 |
| P'holders surplus | 3,366,974 | 3,043,987 |

# Corp. Investors Buys Prefs.

A switching by Corporate Investors' Ltd. from common stocks to fixed income preferreds is revealed by a statement showing percentage distribution of assets at Dec. 31, 1946. This showed 5% of the portfolio in bonds, 49% in preferred stocks and 46% in common stocks, as compared with 5%, 45% and 50% respectively a year previously.

The reduction came before the severe market break in August and September, and there has been a slight increase in equities since the middle of July. Holdings of common stock then amounted to 44.1%.

As a result of its policy of consolidating profits, the price of the company's shares, based on asset value rose from $9.35 at Dec. 31, 1945, to $9.85 at Dec. 31, 1946—an increase of 5%.

Amount of the company's holdings of individual securities is not shown, but the following additions and deletions in holdings occurred in the year:

**CHANGES IN PORTFOLIO**
**Jan. 1, 1946-Dec. 31, 1946**

**NEW SECURITIES ADDED**

**Bonds**

McCabe Grain 4½%

**Preferred Stocks**

Anglo-Can. Tele.
Biltmore Hats
B. C. Packers, A
Can. Cement
Donnacona Paper
Eddy Paper
A. J. Freiman
Goodyear Tire
Hendershot Paper
Gordon Mackay, A
McColl-Frontenac
West. Grocers, A

**Common Stocks**

B. A. Oil
Consol. Bakeries
Famous Players

**HOLDINGS INCREASED**

**Preferred Stocks**

Davis Leather, A
Gatineau Pr. 5½%
Int. Metal Ind. 4½%
Purity Flour
H. Smith Paper

**Common Stocks**

Int. Bronze Pdrs.
Inter. Paper
National Grocers

**SECURITIES ELIMINATED**

**Bonds**

Consol. Paper 5½%
Silverwood D., 6%

**Preferred Stocks**

Can. Car & Fdry.
Inter. Paper
H. Simon & Sons
Toronto Iron Wks.

**Common Stocks**

B. C. Packers
Can. Pac. Rly.
Cockshutt Plow
Minn. & Ont. Pap.
Nat. Steel Car
Price Bros.
Simpsons, A
Southam Co.

**Gold Mines**

Aumaque
Aunor
Beattie
Bralorne
Coch.-Willans
Dome
East Malartic
Hollinger
Lamaque
Macassa
Malartic Gold F.
Madsen Red Lake
Rand Malartic
San Antonio
Trans. Resources

**HOLDINGS REDUCED**

**Preferred Stocks**

Can. Wireb'd Box.
Great Lakes Paper
Massey-Harris
Western Grocers

**Common Stocks**

Aluminium
Can. Industries
Consol. Paper
Harding Carpets
Imperial Oil
Moore Corp.
Shawinigan Pwr.
Union Gas

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**PROVINCE OF NEW BRUNSWICK** sold last week a $5 million 20-year 2¾% debenture issue at a price of 98.419 to a syndicate headed by Nesbitt, Thomson & Co. Bonds are dated Feb. 15, 1947, and cost the province 2.86%. Bonds are being oiffered at $99½ to yield about 2.78%.

Proceeds will be used to refund an issue of $640,000 of 4¾ debentures maturing Feb. 15th., 1957, with the balance to be used for road work, bridges and the New Brunswick Power Commission.

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Corporation Securities

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NEW ISSUE

$5,000,000

Province of New Brunswick

2¾% Sinking Fund Debentures

To be dated February 15, 1947 To mature February 15, 1967

Principal and half-yearly interest (February 15 and August 15) payable in lawful money of Canada in the Cities of Halifax, Charlottetown, Saint John, N.B., Moncton, Fredericton, Montreal, Toronto, Winnipeg, Regina, Calgary or Vancouver at the option of the holder. Debentures of this issue are non-callable prior to maturity. Coupon debentures in denominations of $1,000 and $500 with provision for registration as to principal

The Provincial Secretary-Treasurer advises that the proceeds from the sale of these Debentures will be used in the amount of $640,000 for payment of maturing debentures, in the amount of $750,000 for the New Brunswick Electric Power Commission, and in the amount of $3,610,000 for roads.

The authorizing Order-in-Council will provide for an annual sinking fund of a sum equal to 1% of the principal amount of this issue.

Legal Opinion: Messrs. Manning, Mortimer and Kennedy

In the opinion of Counsel these debentures will be legal, valid and binding direct and general obligations of the Province of New Brunswick and will be chargeable, principal and interest, on The Consolidated Revenue Fund of New Brunswick.

PRICE: 99½ and accrued interest, yielding 2.78%

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the Subscription Books at any time without notice.

We offer these Debentures as principals, if, as and when issued and accepted by us, subject to the approval of Counsel. It is expected that Debentures in Interim form, exchangeable for Definitive Debentures when available, will be ready for delivery on or about February 20, 1947.

Nesbitt, Thomson & Company, Limited

Fairclough & Company Limited Gairdner & Company Limited

R. A. Daly Co. Limited Anderson & Company

The statements contained herein are based upon information we believe to be reliable but are in no event to be construed as representations by us

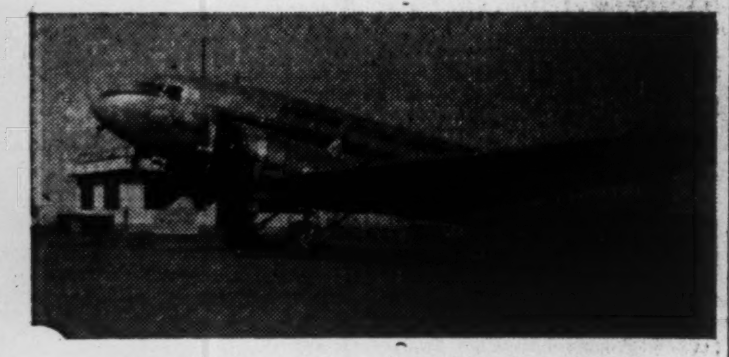
352A

ROY H. DAVIS

F. G. WINSPEAR

Mr. Roy H. Davis and Mr. F. G. Winspear who were elected to the Board of The Toronto General Trusts Corporation at the Sixty-fifth Annual Meeting held recently. Mr. Davis is President and General Manager of Atlas Steels, Limited, Welland, and has had a long and varied experience in the Steel industry. Mr. Winspear is the senior partner of Winspear, Hamilton, Anderson & Co., Chartered Accountants of Edmonton, Calgary and Vancouver. In addition to a place on the Board, Mr. Winspear has accepted the Chairmanship of The Toronto General Trusts Advisory Board in Edmonton.

AIRCRAFT FOR CHARTER



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## BOOKS FOR BUSINESSMEN

**HOW TO PREPARE YOUR INCOME TAX, 1947 edition, applicable to 1946 incomes, by Lancelot J. Smith, C.A., published by Wm. Collins Sons & Co. Canada Ltd., Toronto, 98 pages, including index, price $1.**

A special feature of the 1947 edition of this valuable tax guide is that it includes completed reproductions of official income tax forms for 1946 incomes. Thus it saves the taxpayer considerable time by showing the way to fill out his form. Legislation at 1946 session of Parliament affecting both 1946 and 1947 income taxes has been summarized and explained, data for each year being segregated. This is specially useful to people who pay 1947 taxes by quarterly installments. It also explains the different effects of family allowance on 1946 and 1947 incomes. A section on the special tax on private companies is of special interest. List of dividends paid by Canadian industrial mining and oil companies is included in a free supplement supplied to subscribers to the book.

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# Hamilton Sewer Pipe Plant Producing Again

This year's annual meeting of National Sewer Pipe Co. was the "liveliest in years," and the first time in over nine years that over five shareholders were present it was stated.

A group of the Class "A" $2.40 cumulative redeemable voting no par value shareholders were represented by their counsel, T. J. Agar, K.C. They unsuccessfully asked President and General Manager Ryland H. New for:

(a) More information on the financial and plant operations of the company which they felt were "less successful than should be expected."

(b) Representation on the directorate.

(c) A plan to clear up arrears of Class A dividends.

President New suggested formation of a Class A Shareholders' Committee "which I will be quite happy to work with" to study the problem. He was not prepared to add other directors to the board but said he would consider the question.

Pressed for more details regarding the profit and loss account and for executives' salaries, Mr. New said he did not think it advisable to give this information at the annual meeting, that the information, except for sales figures, would be available to any shareholder who applied. (Being an Ontario incorporation, the company does not have to give all the information required of a Dominion incorporated company.)

Criticism was expressed regarding the lack of operations of the Hamilton plant which has been closed since Nov. 1, 1944, for modification of a new processing method. Production Manager H. F. Dingledine revealed it was expected to be operating again in a limited way by the end of this week, and at half capacity shortly after "if all goes well." Full production is expected in about six months, depending on the arrival of new equipment. The company is pioneering in this new method, Mr. New pointed out.

Also brought out by questions was the existence of a wholly-owned subsidiary, National Concrete Products, located at the site of the old plant in Mimico, Ont. Set up in 1943 to give contractors an option in type of pipe, this subsidiary makes concrete pipe which is sold by the parent company. Closed due to a shortage of labor, it was reopened last July. Its accounts are not consolidated with those of the parent company, Mr. New said.

### Delay Naming Committee

Mr. New's suggestion that a Class A Shareholders Committee be named at the meeting was defeated when the motion was put to the meeting. Mr. Agar suggested it might be desirable to contact all shareholders by mail before deciding on a committee.

Issued capitalization of National Sewer Pipe consists of 27,760 Class A shares and 53,195 common shares. Cumulative dividends of $2.40 a year on the Class A shares, in arrears since Dec. 15, 1933, totalled $31.20 at Dec. 15, 1946. The New family own 47,500 common shares, it is reported.

Working capital amounted to $1,151,695 at Oct. 31, 1946—equal to $41.48 a class "A" share. Fixed assets were carried at $588,322 after a depreciation reserve of $1,426,556.

Directors are president and general manager Ryland H. New; vice-president Ryland J. New; vice-president and sales manager C. H. Wallace; production manager H. F. Dingledine; H. A. Hall, K.C., and F. J. Coombs.

# Experts Study Ontario Hydro In All Phases

The Hydro-Electric Power Commission of Ontario—Ontario's largest single enterprise—is to come under the scrutiny of independent experts as a first step toward strengthening its position, Premier George A. Drew has announced.

The experts are Stone & Webster Engineering Corp., J. D. Woods & Gordon, Ltd., and G. T. Clarkson.

Subjects calling for immediate attention will be examined first and the Government has asked that certain preliminary matters be reported upon within five weeks if possible, so that the information will be available for discussion at the coming session of the legislature, Mr. Drew said. The review of long-term plans would include a study of harnessing power from the St. Lawrence Waterway.

### Study Auxiliary Plants

Premier Drew's announcement said:

"Stone & Webster Engineering Corp. will study and report upon power supply, both from the short-term and long-term point of view, including the desirability in certain areas of augmenting hydro-electric development by the erection of steam plants and other plausible auxiliary units. They will also report upon the advisability of changeover to 60-cycle power and review estimated costs.

"It is also essential that decisions be made as to whether this is to be carried forward as a complete program from the outset, or upon a partial basis. They will also examine possibilities of new sources of power for short-term requirements, as well as the related development of new power sites in accordance with the decisions which are reached as two types of power production.

J. D. Woods & Gordon, Ltd., will report upon the general administrative organization with recommendations as to the most modern business practices which can be adopted by the commission. This will include a survey of the administrative organization at the head office throughout various branches and also a detailed review of the methods followed in preparing and keeping statistical and other records.

### Survey Financing

"G. T. Clarkson will advise upon the financial problems of the Hydro-Electric Power Commission with particular reference to the methods of financing called for by any program which may be decided upon in regard to frequency changes and a general review of the methods of financing of the various activities of the Hydro-Electric Power Commission which are associated through statutory provisions with the Ontario Government.

"This work will be carried on in the closest co-operation with the officials of the commission who are in complete accord with the plans for a review of this nature.

"The Government has the utmost confidence in the efficiency and loyalty of the officials and staff of the whole system. These steps are merely in keeping with the tremendous expansion which is going to take place and the desirability of assuring the most efficient possible business methods in the largest enterprise in the Province of Ontario.

"The Government has no thought of exercising any power over the administrative affairs of the commission. The desire of the Government and the desire of the commission is to assure a system which will provide for a completely independent operation of the Hydro-Electric Power Commission and its related bodies while at the same time assuring effective contact and consultation between the commission and the Government in all those matters where the Government has the responsibility for giving statutory or administrative effect to the joint decision of the commission and the Government."

# Payment Held Up On Windsor Apts.

It will be several weeks before appeal of bondholders of the Greater Windsor Development Co. will be heard against the report of the Master of the Court on the final audit of receiver's account. In the meantime final distribution to bondholders resulting from sale of Royal Windsor Apartments will be held up pending final appeal.

Although a partial distribution has been considered at this time it was later felt that the considerable expense and labor in getting all the bonds in for recording would suggest postponing the idea in favor of one final payment after final settlement had been made.

At a public auction last March a bid higher than that reserved by the court was received on the Royal Windsor Apartments and subsequently accepted. On Dec. 17, 1946, the Local Master of the Supreme Court delivered his report on the final audit of the receivers accounts and determined compensation, including that for services involved in making distribution to bondholders. He also gave the necessary directions with regard to distribution.

On Jan. 20, 1947, a committee of bondholders organized some time earlier by H. S. Black, Ottawa, and his associates, served upon the receiver's (The London and Western Trusts Co.) solicitor a Notice of Appeal against the Master's Report.

# Nat. Light Co. Depts. Change

From Our Own Correspondent

MOOSE JAW—A newly formed company, Sterling Electric on Feb. 1 takes over the contract and service departments of the National Light & Power Co., K. C. Graham, president and general manager, announces.

Cecil F. Moore, formerly commercial manager of National Light, has been appointed president and general manager of the new concern. Some employees of the service and contract departments of National Light have been absorbed in Sterling Electric, the rest discharged.

Recent reports stated that the National Light & Power Co. plant would be taken over by the Saskatchewan Government, and that the retail store of the company would be sold to a new concern. Disposal of the plant and store has not yet been confirmed, but Mr. Graham's statement is believed to indicate this action will be taken soon.

On various occasions the province has announced its plans to obtain control of all power companies in Saskatchewan. Negotiations are now under way for purchase of Saskatchewan properties of Canadian Utilities, which has its headquarters at Calgary. Should this deal be completed, the province would then probably negotiate for purchase of National Light & Sterling Electric.

**OTTAWA ELECTRIC RAILWAY CO.** sold last week an issue of $2 millions first mortgage bonds to Collier, Norris & Quinlan Ltd. at a cost to the company of approximately 2.625%. New issue consists of $1 million of 2¼% one- to ten-year serials and $1 million 3% 20-year bonds. Proceeds will be used to retire $140,000 4% serial bonds due 1947 and $1,120,000 4½% serial bonds due 1948-53 as well as to provide the company with additional working capital.

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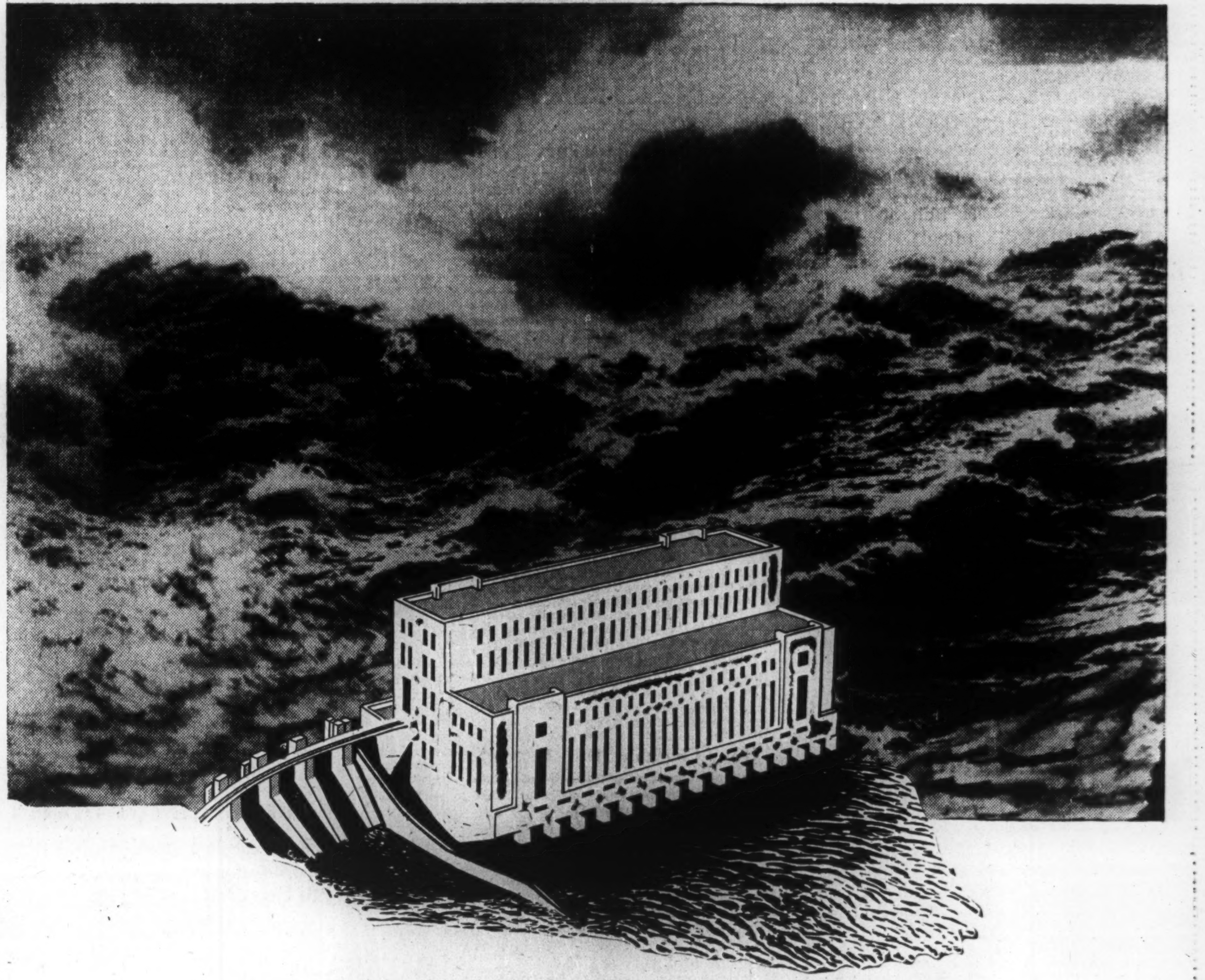

POWER to forge ahead

Industry in Quebec is forging ahead!

Vital to the expansion of this industry is the availability of low-cost hydro-electric power.

Ample water reserves and adequate generating capacity ensure a dependable supply of power for the expansion of industry in the territory served by The Shawinigan Water and Power Company.

Consistent with Shawinigan's policy of always having power available in advance of all requirements, there is now under construction a new 195,000 h.p. development at Shawinigan Falls.

Thus industry, "present and future," is assured of its power to forge ahead.

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# Coal Report Not Finished

It is estimated that the recent Royal Commission report on coal cost the Federal Government at least $300,000.

That is apart from the thousands of manhours contributed by federal and other civil servants who helped in its preparation. It is apart from the generous contribution of time, money and personnel contributed by private companies and others who helped in preparing special sections. It is apart from the time and effort of thousands of people who took part in public hearings.

Was this expense justifiable?

Speaking in the Commons last week, fiery Clarence Gillis from Cape Breton said emphatically "No." He termed it "one of the most disappointing documents I have ever read"; claimed it contained "nothing new"; averred that the commissioners recommended "absolutely nothing."

Readers of this paper who took time last week to digest the condensation and comment published therein will not wholly agree with Mr. Gillis. Unquestionably there is a great deal of important material in the report; material formerly buried in archives or which at least had never been brought previously into national focus.

But, as we stated last week, the report, while long on facts, was short on recommendations.

It indicated lack of unanimity on the part of the three commissioners. Morover, the chairman, Mr. Justice Carroll, who was at various times given other special assignments, was absent from Ottawa and in the Maritimes for a considerable period.

Mr. Morrison, the labor representative, had his own ideas on a coal report—many of which turned out to be very sound and constructive ideas. But he, too, went his own way and worked largely on his own. That left Mr. Justice McLaurin during the last half of 1946 to "bull the report through" and get at least something into print.

What finally appeared in blue book form was something which in one sense at least was little more than raw material. It was excellent raw material, much of it carefully and painstakingly compiled. But material which needed to be more carefully sifted and weighed.

One other point should be made.

This country spends vast sums on Royal Commission reports. It spends almost nothing on seeing that they get public distribution and circulation.

In Britain, before important reports of this type are made public, plans are usually made to meet this need. In many cases (even during the war) small and popular "digests" are available for a penny or two on every bookstall. As well, the reports themselves are often dressed in attractive binding and sold throughout the country for a nominal sum. In short, much is done to see that findings of wide public interest do not fall immediately into limbo.

This country might well give statutory authority to the Privy Council office to be responsible for the work and findings of all federal Royal Commissions. It clearly isn't good enough to leave expensive royal commissioners roaming around on their own with little or no direction, and with no one making sure that their findings, when they do appear, get properly circulated.

## No More Beer For Archie

"I make $1.45½ an hour as a metal finisher, but I'd rather work for 90 cents again and have lower prices. I used to spend a dollar or two every week for beer, but not any more."

So said Hudson Autoworker Archie LaFave to Edward O'Brien, Detroit bureau chief of Newsweek Magazine. LaFave, who happens to be a chief union steward, was one of a dozen auto workers picked at random recently and asked: "Do you favor another round of pay increases?" Not all wanted beer — bread, milk, medical expenses were also mentioned — but none wanted to pump more air into the U. S. inflation balloon with further pay increase demands.

Detroit auto workers have apparently learned the hard way what reasoning men across Canada and the U. S. have been trying to warn against. They know now it's not the figures on the pay cheque alone that count; but rather those figures in relation to others on retail price tags.

And, union economic theorists notwithstanding, the auto workers who earn the wages and pay the bills know that unreasonable wage demands lead inevitably to price increases.

## Production At Root Of It

Louis L. Lang, president of the Mutual Life Assurance Co. of Canada put proper emphasis on the need of Canada's increasing her production if she is to play her part among the nations and provide a satisfactory level of employment and prosperity for her own people. Production lies at the very root of economic welfare and unless a nation maintains and increases its output to satisfy human wants, it is bound to fall behind. No nation can become wealthy by selling less goods for more money. The eventual result will be scarcity, inflation and economic chaos.

At present we have a sellers' market, but this will change, and when it does the nations that have been producing and selling at reasonable prices will be in a preferred position. Thus says Mr. Lang:

> "Our greatest material opportunity in 1947 is to increase production of all kinds, and particularly industrial production. The output per man per day should increase. If it does increase, the economic and financial position, and, more important still, the social position of the people of Canada will be much better at the end of this year than it is now. One result of a vastly increased production should be lower prices as goods come into plentiful supply. A higher production, with the resultant increased purchasing power which always follows, is certain to produce a social security much more satisfying and permanent than the various panaceas so glibly proposed from time to time."

But, he warns, one of the most important factors in encouraging production is a reasonable tax level. In this, however, the people must share responsibility with the Government. Mr. Lang adds:

> "Unfortunately the habit of large and careless spending is persisting. Lower taxes are urgently needed, but how can governments reduce taxation if constantly urged to spend more money? Too large a proportion of the earnings of our people is now being diverted into taxes rather than accumulating as savings to be put back into industry, business and agriculture in order to increase production in these fields which in turn will provide more employment and more goods and commodities for all Canadians and an increasing surplus for the peoples of the world."

## Wanted: Boys For Building

Dearth of skilled building workers begins to rank with scarcity of materials, high costs and slow performance as bugbears of construction in postwar Canada.

Where in 1947 and 1948 will we find apprentices to replenish the training pool of bricklayers, plasterers and other skilled building workers? Not, from the ranks of veterans certainly. Their return to industry was the lucky break of 1945-46, a one-time boon. This year we'll have to dig, and dig hard, among civilian youth.

To dig effectively we may have to introduce a bigger training wage, shortened courses in suitable trades and possibly some kind of bonus for exceptional progress. More than these may be required. To make construction as a career attractive to Canada's predominantly white collar-minded youth it may be necessary to increase average annual income of building mechanics against the traditional winter layoff in outdoor trades in most parts of the country. As well, it may be necessary to speed the trend to better on-site working conditions.

But even with all this accomplished—if it can be—several other broad and formidable problems remain. How to persuade building labor union locals to open their ranks to more boys and to accept in the present emergency a temporary ratio of, say, one apprentice to every three or four mechanics instead of the usual one-to-eight formula. How to induce the average smaller contractor to take on his fair share of applicant apprentices.

Against a postwar deficit of 50,000 to 60,000 building mechanics—and a minimum target of 5,000 new trainees a year adopted in principle by labor and management a year ago—Canada in 1946 inducted only about 1,300 new apprentices from the ranks of civilian youth into on-job training, plus about 2,900 veterans.

Maybe the industry and provincial governments were deliberately holding up their recruiting drive to keep training channels clear for returning vets. If so, such policy has never been given prominent utterance. The question of new recruits in 1947-48 now becomes serious and responsible Canadians will have to give it thought. Training results in 1946 offer little guarantee of enough skilled manpower to build the hospitals, factories and houses we'll need in the years ahead.

## Goodwill Ambassadors

One of the most important features of Canadian life insurance business is the way it has extended and developed abroad. More than 20 Canadian companies operate outside Canada, and of the total business in force with all Canadian companies some 37% is in foreign countries. Premiums received abroad are about $130 millions annually, claims paid about $60 millions.

The contribution this makes to Canada's economy and to the Dominion's prestige is often not realized. Not only does it produce a substantial volume of "invisible exports" amounting to many millions of dollars yearly, but as unofficial ambassadors of good will the life companies have made Canada's name known favorably among other nations.

Some of the reasons for this are explained by Arthur B. Wood, president of the Sun Life Assurance Co. of Canada, which does business in practically every country of importance in the world except Australia and continental Europe. In his annual report he said:

> "The Sun Life of Canada was the pioneer amongst Canadian corporations in seeking business in other countries. From the beginning it established a reputation for security, faithful adherence to contractual obligations, sound administration and service to the community, which has special significance from a national standpoint. It has frequently been stated, and I believe with justification, that the world-wide activities of the Sun Life of Canada have been and still are an important factor in making the name of Canada well and favorably known and in paving the way for trade connections, for the company was firmly established in many countries long before the advent of the trade commissioner."

## How Chatham Did It

The remarkable postwar story of the southern Ontario city of Chatham is told on page 15 of this issue of The Financial Post. During the war years Chatham was an industrial nonentity. Not one war plant was built; not a single wartime house went up.

Since then there's been no holding Chatham. In two years 30 new industries with an estimated investment of $10 millions have been lured in; 300 new houses have been built or are in varying stages of construction. Two $3 million plants are going up. A third will cost $750,000.

Credit for the rapid industrial development goes to William Gray and his Industrial Bureau, an alert, far-sighted civic administration and businessmen with faith in the city's future. Their inspiration was born of a desire to make Chatham a city of greater opportunity for those of its 1,200 servicemen who would come back. Their success is an example other small cities could well follow.

## We Could Be Better Educated

Who says Canadians are well educated?

Certainly not the 15,000 rural school pupils of Alberta who can get their lessons only by mail because the province currently lacks 1,390 teachers. Nor other thousands of growing-up citizens in rural areas and small communities in every one of Alberta's eight sister provinces. Dominion-wide, the teacher shortage this year is estimated at 6,500.

City-dwelling Canadians may be more inclined to call our educational system a good one, because bigger, richer communities can and do spend more money on teachers, buildings and equipment. None but the blind and conscienceless, however, can say this nation is doing its best by all the youngsters who will inherit it.

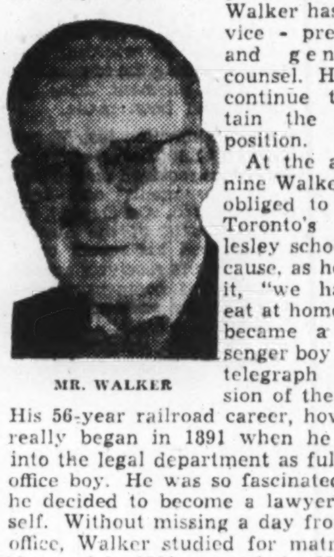
It's not enough to say our educational system today compares favorably with that of 20th century Afghanistan, or even of Canada 50 years ago. No more than it's enough to say a 1947 Cadillac is smoother riding than a 1900 Ford. It certainly should be.

In this issue and in that of a week ago, The Financial Post has published the considered opinions of 21 Canadian men and women prominent in business, education and government. Overwhelmingly they agree that Canada should improve its plant for turning out competent, enlightened citizens to assure its own future. Teachers, they say, must be given more money and greater honor.

# Post Scripts

## Legal Railroader

Few stories of success in business can match that recorded by 68-year-old Toronto-born George Abram Walker, K.C., recently elected senior vice-president of the Canadian Pacific Railway. For the past two years Walker has been vice-president and general counsel. He will continue to retain the latter position.



MR. WALKER

At the age of nine Walker was obliged to leave Toronto's Wellesley school because, as he puts it, "we had to eat at home." He became a messenger boy in the telegraph division of the CPR. His 56-year railroad career, however, really began in 1891 when he went into the legal department as full-time office boy. He was so fascinated that he decided to become a lawyer himself. Without missing a day from the office, Walker studied for matriculation and in 1901 entered the University of Toronto, later Osgoode Hall. Then he began to function as a lawyer with the railroad. After five years he was transferred to Calgary where he became solicitor for the Alberta district. Here he worked with R. B. Bennett, now Lord Bennett, until the latter entered politics in 1911. Then Walker took full charge. He was transferred to Montreal head office in 1934.

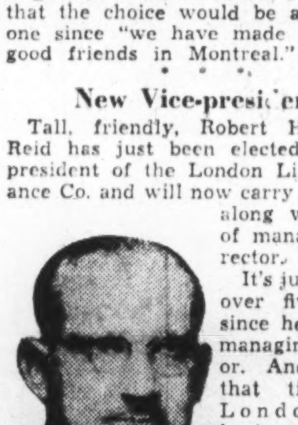
Walker was married in Edmonton in the fall of 1928 and has one child, a daughter June, aged 16. He has three hobbies: bridge, golf and books, particularly the latter with biographies and histories his favorite reading matter.

Walker admits that he would like to go West when he retires but claims that the choice would be a difficult one since "we have made so many good friends in Montreal."

• • •

## New Vice-president

Tall, friendly, Robert H. (Bob) Reid has just been elected a vice-president of the London Life Insurance Co. and will now carry that title along with that of managing director.



MR. REID

It's just a little over five years since he became managing director. And during that time the London Life's business in force has increased from $769 millions to $1.3 billions. In the past seven years alone it has doubled. Reid's election as vice-president is regarded as a recognition of the part he has played in this growth.

Bob Reid is one of the relatively few high life insurance executives to come originally from the investment department. But previous to his appointment as managing director he had had a wide general experience which had given him a thorough understanding of the company's affairs.

Born at London, Ont., in 1906, he was educated at London schools and the University of Toronto. He then entered the investment business, starting as a clerk with Wood, Gundy & Co., later becoming office manager of Harrison & Co. In 1933 he joined the investment department of the London Life, serving in both the mortgage and securities divisions. He later became executive assistant and in 1938 was made a director and a member of the executive committee of the board.

Bob Reid has been active in the work of the Canadian Life Insurance Officers Association, serving on several committees. He is also president of Housing Enterprises of Canada Ltd. and among other interests is a director of the Canadian Bank of Commerce and Abitibi Power & Paper Co., and a regional director of the Canadian Welfare Council.

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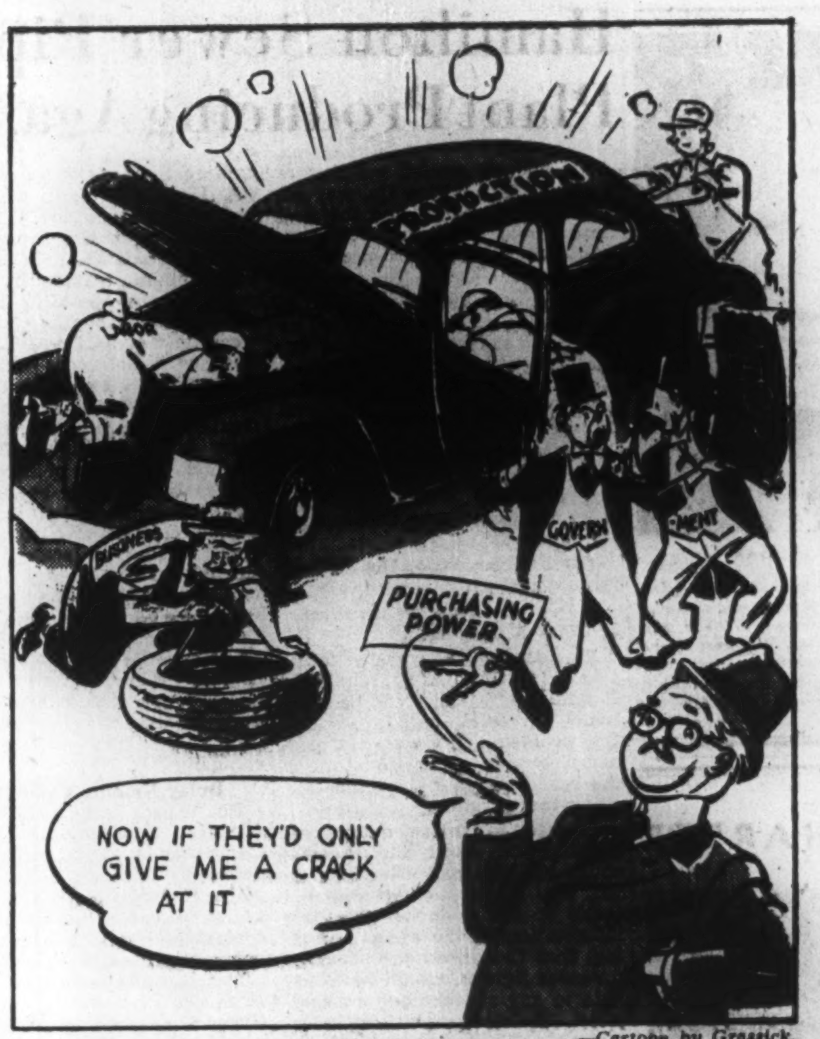


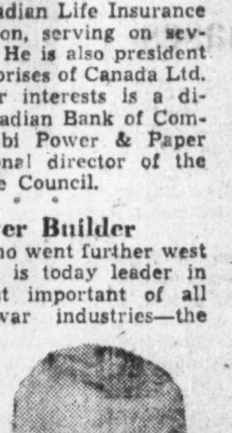
—Cartoon by Grassick.

THE MAN WITH THE KEY

## Vancouver Builder

A westerner who went further west as a young man is today leader in Vancouver's most important of all immediate postwar industries—the building business.

He is 46-year-old Ralph C. Pybus, who starts 1947 as president of the Vancouver General Contractors' Association.



MR. PYBUS

Pybus was born in Winnipeg, paused there long enough to whisk through two degree courses at University of Manitoba, and is now head of one of B.C.'s biggest construction companies, with jobs like the following under his belt:

Some 330 Wartime Housing Limited low-rental homes for veterans, worth $1,250,000 finished this month. This job was completed in just one year—a good record in times of material shortages.

Under construction, a $500,000 warehouse in downtown Vancouver for Marshall-Wells B. C. Ltd., a wholesale hardware firm.

Also a building, $300,000 addition to the nurses' home at Vancouver's St. Paul's hospital.

In 1922, Ralph Pybus entered construction when he joined the Carter-Halls-Aldinger firm on part-time basis. That year he graduated from Manitoba University with a degree in civil engineering. Then he returned to the campus and in 1924, graduated in architecture.

Following that, he went to Montreal with the Foundation Company, but returned to Winnipeg and Carter-Hall in November, 1925. Three years later, the firm transferred him to the Pacific Coast to be its engineer for B. C.

In January, 1944, Pybus became acting western manager for Carter-Hall. In June 1944, the company reorganized, with Carter Construction Co., operating out of Toronto; and Commonwealth Construction Co. Ltd., operating out of Winnipeg and Vancouver, Pybus became permanent western manager.

Mr. and Mrs. Pybus live in a comfortable suburban home in Vancouver with their five children.

"Hobbies?" he says. "Just say family and business. Gardening, too."

He is on the board of directors of Vancouver Building Exchange and is immediate past chairman of the Vancouver branch of the Engineering Institute of Canada.

• • •

## Stop Me If—

Both were passengers on an America-bound liner. One was hale and hearty, but the other was of the peaky kind. During a particularly bad swell, they met at the ship's rail—the peaky fellow leaning over it and going very green. At this, the jovial passenger took a bottle from his pocket and, taking a long swig, smacked his lips in evident satisfaction.

"Nothing like a bottle on a voyage!" said he, slapping the other on the back.

"No," came the weakest of weak voices, "jolly useful—for sending a message."

# Unions Should Give Company Security

### Ford Asked Security Against Wildcat Work Stoppages In Agreeing to Play Ball

*Speaking to an employers' council in Denver, John S. Bugas, vice-president and director of Industrial Relations of the Ford Motor Co., outlined three phases of Ford's co-ordinated industrial relations program and revealed that the recent price reduction in Ford cars was an integral part of the correlated plan. This is a digest of his speech:*

Little more than a year ago the Ford Motor Co. introduced a new idea into its labor negotiations when it asked the United Automobile Workers (CIO) for company security. It was our feeling that the company was entitled to security, too—most specifically security against unauthorized work stoppages of all kinds. We had a serious problem—the enforcement of reasonable work standards, and we were well aware that we could not proceed in that direction so long as employees felt free to resort to wildcat work stoppages.

It was our belief then—and it is still our conviction—that until unions and employees recognize that company security is the foundation on which all other forms of security must be built, it will be difficult to proceed successfully in the direction of greater security for the individual employee.

I believe our proposal was widely accepted by the American common people as a very common sense proposal. The reactions of union negotiators to our request were mixed. It was a surprise. It was too reasonable and sensible a request to be dismissed, but, at the time, it introduced a sobering element of responsibilty.

Union officials did not dismiss the suggestion but came back with alternatives. On the whole, they responded constructively.

A key difficulty was an unwillingness on the part of union officials to put themselves in the position of penalizing union members for disobeying their own leaders. If we look at the question only from the viewpoint of the best interests of union officials, there is no question, of course, that they were quite right. It was better politics to avoid responsibility. I rather doubt, however, whether it can be in the best long-term interests of union leaders to avoid the job of keeping their own house in order. It may be good politics, but bad statesmanship.

In 1941, our company completely reversed its previous position with respect to unionization. The Ford Motor Co. not only agreed to a closed shop, but also to the check-off. The union enjoyed virtually complete financial and membership security. But the record certainly shows that the company enjoyed no comparable security. From 1941 to 1945 the Ford Motor Co. had 773 illegal strikes. We finally agreed to a company security provision which specifically declares, among other things, that fomentors or instigators of strikes may be discharged, while participants may be penalized by anything from a reprimand to discharge for repeated violations.

What has been our experience with company security?

In 1945 we had 131 work stoppages. In 1946 we had only 23. In 1945, we lost 767,000 manhours as a result of work stoppages. During 1946, we lost 81,253 manhours. Against these figures are over-all national figures of quite a different kind. In 1945, there were 4,750 work stoppages in the nation as compared to 4,700—almost exactly the same number—in 1946. However, there was a substantial increase in the number of men affected and in the man days lost. In 1945, 3,467,000 men were affected, whereas in 1946, the figure had increased to 4,650,000. Man days lost rose from 38,000,000 in 1945 to 113,000,000 in 1946.

Obviously the company security provision was not the sole cause of our improvement but we are thoroughly satisfied that our insistence on a company security provision was a sound step in the right direction.

Unions cannot achieve their full stature until they are in a position where the leaders cannot be made the tools of irresponsible elements by political manoeuvring. Only then can they turn their attention to the fundamental and joint problem of labor and management, which is to be efficiently productive in the public interest.

I would like to believe that during the next decade we can make, in co-operation with labor leadership, some real progress in the direction of steadier employment in the automobile industry. You will note I did not say "a guaranteed annual wage." The phrase suggests that someone is in a position to guarantee an annual wage and is merely refusing to do so. The truth of the matter is that a seasonal industry like the automobile industry will find it extremely difficult and perhaps even impossible to achieve anything closely approaching a guaranteed annual wage. But with good sense, good management and intelligent co-operation, it is entirely possible that we can very substantially improve what have been normal conditions in the industry in the past.

When, last Jan. 15, Ford cut prices $15 to $50 per car, it was a "shock treatment," based on the conviction that the road to a higher standard of living and security lies in the direction of more and more goods at lower and lower prices.

From any short-term point of view that was the same as throwing millions of dollars out the window at a time when the company, which had huge losses during the aftermath of war, was just beginning to get in the black. The company's objectives, however, were not short term.

It is our feeling that where a company has demonstrated that it is fully prepared to take great risks to build solidly and soundly for the future that labor can also consider with confidence a program of sound, long-term objectives.

# What Others Are Saying

## Editorial of the Week

### "General Strike" Is Cowardly

(Edmonton Journal)

In forbidding the general strike called in Japan by left wing labor leaders, Gen. MacArthur has acted with unquestionable wisdom. He enjoys a unique position of power in conquered Japan, but authority to prevent such a vicious and cowardly action as a general strike should be the undeniable right of the chief executive in every nation.

When labor leaders talk of a "general strike," they know that, for the most part, food producers and handlers will stay on the job to feed them; that doctors, nurses and druggists will continue to protect their health; that engineers and mechanical workers will maintain transportation and supply their water, light, power and fuel; that policemen and firemen will protect their lives and property. Thus, the strike strategy committee slyly schemes, life can become intolerable for the great mass of the people, without becoming impossible, and it will be able to apply just enough pressure to win the argument.

The phrase "general strike" should arouse such an instant revulsion of public feeling that no union leader would dare to utter it.

## Other People's Views

IT IS DOUBTFUL whether any constructive purpose could be served by compulsory voting legislation such as is proposed for British Columbia, comments the **Regina Leader-Post**. "A person forced to cast his ballot is not likely to vote intelligently. He should be motivated to vote because of a personal interest shown in the affairs of government, whether it be national, provincial or municipal. It is this type of voter who makes the best citizen."

THIS IS A DAY when parents demand better education for their children, teachers seek overdue wage increases, and school boards need more money for maintenance and the building of new schools, says the **Montreal Star**. "Everyone agrees that we should do all these things, but immediately someone suggests that we should also pay a little more in order to get them the protests are loud and persistent."

FOUR LITTLE WORDS, "the right to strike," have been sadly overworked in recent months, observes the **Calgary Herald**. "It is high time the sacred trappings were stripped from 'the right to strike.' In a few unprincipled hands it has become a dangerous weapon of coercion. When the public and the legislators no longer treat it with superstitious awe, they can set about the task of limiting and defining it—safeguarding the right itself, but ensuring that freedom is not turned to license."

CANADA'S RECORD on freedom is fairly bright as nations go, but there is room for improvement, declares the **Vancouver Sun**. "Laws and courts can assist, but greater reliance must be placed on democratic education. Some improvements are already on the way in this country, so far as legislation can make them. Racial discrimination will be diminished somewhat in this province of British Columbia when the Elections Act is broadened to permit Chinese and East Indians to vote. Immigration barriers to people of certain races will be dropped in the near future.

"But there are still other impediments to full freedom of all peoples. The select committee will find something to ponder in Premier Duplessis' drive against the Jehovah's Witnesses and those who support certain politicians; in color bars erected in the professions and certain other fields."

THERE SHOULD BE no difficulty for police and court officials in determining just when a person is guilty of being intoxicated while having "care and control" of an automobile, points out the **Windsor Star**. "The law is not vague. It decrees that the car need not be in motion, if the person in control when apprehended is drunk. All that is necessary is to prove that the automobile is capable of being driven. This clear interpretation should remove much of the uncertainty from these cases which are so important to public safety."

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Feb. 15, 1947

***The Provincial Roundup***

# New Tax Deal for B. C., Quebec Cities Hint 40-hour Week in Saskatchewan

New financial setups between two provinces and their municipalities were in prospect as the British Columbia and Quebec Legislatures opened this week. On the Pacific coast Commissioner H. Carl Goldenbergs' recommendations were already before the Hart Government. In Quebec, a report from J. de la Bruere Fortier, on similar questions, but possibly with different findings, was awaited. Lack of a tax agreement with Ottawa, however, might delay the new setup.

Quebec's Premier Maurice Duplessis, still studying Ottawa's latest offer, declared himself in favor of "constitutional collaboration," but insisted: "To participate in violation of the federative pact, in sabotage of provincial rights (especially Quebec's) would be complicity, not collaboration. . . . The Quebec Government considers incomplete and partial negotiations contrary to the spirit of Confederation, and a danger which provokes mistrust. . . . It is a matter of pulling together, not trying to pull a fast one against each other."

## British Columbia

### Crucial Session Opens

The province's 21st legislature convened Tuesday for its second session, one of the most crucial in a decade. Its forecast agenda included: Ratification of the new tax agreement (which at one time threatened to upset the applecart of other provinces); compulsory voting; enfranchisement of Chinese and East Indians (but not Japanese or Canadian Indians); a new provincial-municipal setup, as recommended in the Goldenberg report; a new labor code; possible cocktail bar legislation; forestry reform, based on last year's Sloan Report; financial responsibility for motorists; establishment of a provincial racing commission; decision as to the future of the PGE.

**"Citizens of Universe":** At least one group didn't welcome Canadian citizenship. "We are not citizens of any political state or country" officials of the Spiritual Community of Christ in Nelson, wrote to Prime Minister King. "We consider ourselves citizens of the entire universe, of which Christ is the king. We categorically proclaim we cannot be automatically citizens of this or any other country." (The Spiritual Community is a Doukhobor group, separate from the larger branch of that sect.)

**Biggest Herring Catch:** Vancouver Island's west coast closed its record herring season, a catch estimated at close to 60,000 tons. Normal quota of 25,000 for the area was upped because of food needs overseas, and because of investigations in herring culture and a conservation by the Biological Research Board of Canada. Fishing continued only on the northern mainland coast.

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## Alberta

### $2 Millions More Yearly

The province stood to gain approximately $2 millions yearly under Ottawa's latest tax offer, Premier Manning estimated, announcing he would recommend acceptance at the legislature session opening next week (at the same time, urging reconvening of a Dominion-Provincial Conference). The new terms would yield Alberta $14,840,000 this year, and an annual minimum of $13,986,000 thereafter, as "rental" for personal income tax, corporation tax and succession duty rights.

**Radio Discrimination?:** "Out-and-out-discrimination!" charged Works Minister William Allen Fallow, as the Dominion Cabinet rejected (as the CBC had twice previously done), the province's application for a commercial license for its radio station CKUA, Edmonton. Undaunted by three failures, Fallow planned to try again.

**Towns, Villages, Vote:** Fifty-two towns and 135 villages throughout the province held municipal elections this week, with inaugural meetings of the new councils scheduled for next week. Sixty municipal districts were to vote on March 15.

**Want MD 13 HQ to Stay:** Calgarians were not allergic to the ominous 13; on the contrary, they planned a fight to retain the headquarters of Military District 13, transfer of which to Edmonton is planned under a military reorganization program. City Council, Board of Trade and Canadian Legion prepared to send a delegation to Ottawa; contended the transfer would uproot many families, involve heavy expense in moving or in payment of separation allowances, and would create a grave housing problem in Edmonton.

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## Saskatchewan

### 40-hour Week on Way?

A 40-hour week for "certain industries" was on the province's horizon at the present legislature session. Last year, Labor Minister C. C. Williams had withdrawn a 44-hour week bill; now he was planning to carry the principle farther. Farmer legislators, foreseeing shorter hours in country stores, grain elevators, garages, etc., were said lukewarm to the proposal, although Attorney-General J. W. Corman predicted they would back it: "It would mean employment for more men and women, and the time has come when the employment problem must be watched."

**Hit CCF Spending:** While the legislature awaited Provincial Treasurer Clarence Melvin Fines' budget, Liberal Leader Walter Adam Tucker fired an advance blast at CCF financing: It has increased expenditures approximately $19 millions in the last two years, whereas Manitoba provided social services "in most instances as good as Saskatchewan's," on a budget of less than one half this province's; four more Cabinet ministers had been added, and a "host of so-called efficiency experts, advisors and planners employed, to do ministers' work while the latter are away campaigning from Nova Scotia to British Columbia, for the extension of Socialism in Canada"; public debt should have been reduced more than $21 millions, in addition to the $44 millions written off by the Dominion.

Tucker also demanded space for opposition groups to present their views in the Government publication Saskatchewan News "which, published at public expense, holds myself and many others up to ridicule, because their views differ from those of the CCF."

**"Truly Remarkable" Profits:** Premier T. C. Douglas claimed "a truly remarkable record" in the first year of government operated corporations; net profit, after depreciation, on 14 such industries in a six-months period, $329,500. Simultaneously, reports hinted the Government planned to take over the National Light & Power Co., last privately owned power company in the province.

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## Manitoba

### No Duplicate Taxation

Originally aiming to be first in the legislative field, with a session opening Jan. 21, the province was still marking time, with prospects that the House would not convene before Feb. 25. (The actual date was to be fixed at a caucus this week.) On top of renewed tax negotiations, Ottawa's proposal for increased old age pensions, kept provincial budgeting plans in suspense; might interfere with plans to close the fiscal year March 31, a month earlier than usual (The Financial Post, Jan. 18). Meanwhile, Premier Garson pledged "with every assurance," that there would be no provincial income tax this year.

**Thirst Pays Dividends:** With war-engendered liquor rationing virtually ended, the province foresaw profits at a new high for the current year. For 1945-46, Premier (and Provincial Treasurer) Garson underestimated by nearly $2 millions, when he set liquor profits at the $4 millions mark. With sales soaring in the last nine months, a peak of $7 millions now appeared probable for 1946-47, even if the province closed its books at March 31, a month earlier than in the past.

**Lean Year for Trappers?:** The bear market in furs threatened heavy loss to more than 1,000 trappers, operating under the Government-administered Sumberberry muskrat project. Last year, the development had yielded more than $800,000 in pelts; this year harvest was estimated at less than half that total. While experts sought means of multiplying the area's muskrat population, fear was voiced that the trappers' insurance funds might be needed to bolster their income.

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## Ontario

### Free Blood For All

Free blood transfusions were to be available to all Ontarians, under a system of government grants: $100,000 down to the Canadian Red Cross Society, plus $10,000 yearly. This, said Premier Drew, will make transfusions possible in every public hospital in the province, many of which have lacked facilities until now.

**Get Hitler's Granite?:** Granite quarried in Sweden on Hitler's order, for use as a memorial to himself (sufficient to fill 50 railway flatcars) has been offered for sale here, the Canadian Association of Memorial Craftsmen was informed. Samples of the igneous rock, reddish with flecks of black, have already been sent to wholesalers.

**Conservation Scholarships:** Ontario Fish and Game Federation planned what was hailed as its "most progressive step in years" —scholarships for university students specializing in conservation subjects; the first such award, of $250, to be made this year. The group also urged a closed lake trout season in northern Ontario.

**Health Chief's Health Code:** Health Minister Russell Temple Kelley divulged the seven cardinal rules which had kept him hale for 69 years: Proper diet; proper posture; 20 minutes' rest after meals, for those over 50; regular medical examination; proper care of teeth, and semi-annual dental examination; eyes are rationed, just two to a lifetime, so care for them; plenty of sleep. And most important of all, the minister added, "look on the bright side of life."

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## Quebec

### Aid Housing, Curb Unions

Housing, labor and forestry conservation measures were forecast as the province's 22nd legislature opened its third session this week. Rumors said an urban loan system would operate on lines parallel to the successful farm loan setup. Premier Duplessis was already committed to protection of natural resources, especially forests, against speculation and exploitation. New labor legislation would aim at preventing serious strikes, and at curbing Communist activities; possibly by strengthening the 1937 Padlock Law, and imposing qualifications for labor organizers.

**J. GORDON NELLES**

**has been appointed general manager of the newly organized Canadian Section of the International Chamber of Commerce.**

**Resist Liquor Prices:** Consumer resistance against continued wartime prices for liquor (40% to 100% above pre-war) was definitely rising throughout the province; many Montreal stores reported sales 25% below the usual January-February level. Liquor Commission officials saw little prospect of lower prices, so long as excise taxes remained unchanged; but many employees feared the alternative would be staff-cutting, in the face of lagging business.

**Interprovincial Capital:** An interprovincial national capital, embracing Ottawa and Hull, was envisioned by Public Works Minister Alphonse Fournier, who represents the latter city in Parliament. He recalled that appropriations for development and beautification had been made by both cities: "Both sides of the Ottawa River must be alike . . . I have been working all my life to make residents of Hull speak both languages."

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## New Brunswick

### No Coal Glut

Just in case Maritime coal miners struck again this week end, the province's Electric Power Commission took inventory of coal stockpiles at its Grand Lake plant; reported sufficient on hand for four or five weeks' operation. (Bulk of the province's electric energy is coal-produced; only hydro plant selling power to the public is at Musquash, near Saint John, with limited output.)

**Step Up Coal Output:** Hope for higher coal production at Minto rose when the Avon Coal Co. inaugurated use of the first electric drag line in eastern Canada coal fields. The machine, which strips top soil from above the coal seam, was expected to double production.

**New Milk Tie-up?:** The second milk tie-up within two months, threatened the Saint John area, as producers voted to withhold shipments once more. Earlier, they had taken an option on a dairy in the city, planning to ship to it (The Financial Post, Feb. 1); but legal obstacles impeded completion of the deal. Although the provincial Dairy Products Commission had removed all ceilings in the area, it was stated some producers were still shipping at the old rate of $3.40 a hundredweight, instead of the $3.75 they had demanded in December.

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## Nova Scotia

### "Mr. Justice Macdonald"?

With the province's legislature session still probably a month distant, rumors were heard that it might be the farewell appearance of Premier Angus Lewis Macdonald, government leader since 1933 (except for a five-year hiatus as Navy Minister, at Ottawa). Reports said Macdonald might go to the province's Supreme Court bench; be succeeded by Industry and Publicity Minister Harold Connolly. But some sources hinted Protestant Liberals might object to two Catholic leaders in succession, since the principle of religious rotation is accepted in many fields here.

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## Prince Edward Island

### Free Penicillin

Free distribution of drugs (including penicillin) for treatment of social disease, was launched by the province's Health Dept. Physicians could obtain necessary supplies without charge, from the Department; could charge the patient only for services in administering them.

**U. K. Wants Potatoes:** Believing Island potatoes were freer from Colorado beetle and bacterial ring rot than those of other provinces, the British Food Ministry was negotiating for over two million bushels for spring delivery. If the price offered was below the present 68-cent floor, the Agricultural Prices Support Board would make up the difference to consumers. Shipments would have to be made from Saint John in March, but should be feasible from Charlottetown in April.

**New High in Revenue:** Charlottetown reported 1946 revenues at a record $409,000, surplus $10,000. Debt charges on the city's unusually large debenture liability (over $2 millions) exhausted over 33% of revenue; operating loss on the Maple Hills emergency housing development took another large slice.

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# Sask. Gov't's Industries Show Increased Profits

The Saskatchewan Power Commission is the province's most profitable industry but the other thirteen industries and commercial enterprises run by the CCF government have been making good progress. These conclusions may be drawn from the figures revealed by Premier T. C. Douglas in the throne speech debate.

Net profit of the 14 CCF government-owned industries was $329,500, after $168,000 depreciation, for the six months ending Sept. 30, 1946. This compares with a net profit of $228,000, after $146,000 depreciation, for the year ending Mar. 31, 1946, Premier Douglas revealed. Operating profits were $497,500 and $374,000 for the respective periods.

But, if the operations of the Saskatchewan Power Commission are excluded, the improvement in the profits of the other 13 industries is much more striking. They showed a net profit of $190,000 for the six months ending Sept. 30, 1946, after $92,000 depreciation, as compared with a net loss of $500, after $20,000 depreciation for the year ending Mar. 31, 1946, according to Premier Douglas' figures.

The net profit of the Power Commission is also improving. These figures indicate that its net profit for the six months ending Sept. 30, 1946, was $139,000 — nearly 61% of the net profit of $228,500 for the year ending Mar. 31, 1946.

The thirteen enterprises started wholly by the present administration are: wool products, shoe factory, tannery, clay products, box factory, timber board, fish board, fur marketing service, transport company, reconstruction corporation, housing corporation, printing company and insurance office.

Financial statements for each of the thirteen enterprises individually and for the Power Commission will be tabled as required by the Acts governing these enterprises. The above results include the general results of the Insurance Office but not the automobile accident insurance operations, it is stated.

In assessing the true significance of these results, Premier Douglas said the following should be considered:

(a) "Our government industries have had to train many employees who were inexperienced in the work they had to do and unaccustomed to industry generally.

(b) "Often we have had to train management and technical staff.

(c) "We have had to begin, and in some cases to operate to the present time, under conditions of extreme shortages of materials and equipment.

(d) "Few private undertakings of similar size are able to get along without substantial losses during the first years of operation.

"If all of the above is fairly considered, it cannot be denied that during the first year of operation, Saskatchewan Government Industries have attained a truly remarkable record. We now find that many of our employees have acquired the necessary industrial techniques, our managers and superintendents are proving themselves capable, supplies of materials and equipment are improving and we have every reason to hope that these industries will continue to operate with equal success in the future."

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**PARAMAQUE MINES** advises that drill hole P-1 was carried to 2,055 ft. in January, then wedged and now drilling to take a second cut of vein structure which extends from 1,555 to 1,605 ft. in a diorite mass at least 125 ft. wide. Joint drilling is continuing with El Sol Gold Mines along common boundary.

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**REGCOURT GOLD MINES** has received payment covering Feb. 1 underwriting installment of 100,000 shares at 35 cents. Issued capital—2,670,000 shares.

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Your Heart is a wonderfully dependable organ. It beats about 100,000 times a day, yet rarely fails before old age unless it has been abused, or weakened by disease. The commonest abuses which put extra strain on the heart are *overweight* and *excessive exertion*, especially after age 40.

Fear of heart ailments is often groundless, so, if you are worried about your heart — *see a doctor!* Remember, even with a weakened heart you can usually lead *a happy, useful life!*

Medical science is on the march against heart disease

Heart ailments account for almost one third of all deaths in this country. They are caused chiefly by rheumatic fever, high blood pressure, kidney diseases, syphilis, and hardening of the arteries—especially those supplying the heart itself. Early discovery and prompt treatment of these diseases are most important in reducing the danger of serious heart damage.

Medical science is giving increased attention to studies of the heart. Notable advances have already been scored. New drugs and new techniques are opening up more avenues of investigation. Many organizations encourage this great work. For example, the Life Insurance Medical Research Fund, supported by 148 Life Insurance Companies in the U. S. and Canada, makes grants for special studies in heart disease.

What should you do for your heart?

Have a thorough physical examination every year. Take great care during convalescence from any infection. If you *should* develop heart disease, follow your physician's advice about proper rest, exercise, and diet, as well as about special drugs and medicines. To learn more about the heart, and the diseases that affect it, send for Metropolitan's free booklet, "Protecting Your Heart."

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*(A MUTUAL COMPANY)*
New York

*Frederick H. Ecker,* CHAIRMAN OF THE BOARD
*Leroy A. Lincoln,* PRESIDENT

Canadian Head Office: Ottawa

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# In 76 Years Sun Life Has 3½ Billions in Force

## New 1946 Business Over 348 Millions

### PRESIDENT REVIEWS YEAR

### Assets Now Exceed $1.3 Billions — Company Has Paid Out More Than $1.9 Billions to Policyholders — World-wide Activities of Sun Life Important Factor in Paving Way for Canadian Trade Connections, Mr. Wood Tells Policyholders

Outstanding feature of 1946 was the substantial increase in the volume of new assurance written by life insurance companies in Canada, United States and Great Britain, Arthur B. Wood, president of Sun Life Assurance Co. of Canada, pointed out to policyholders this week at the 76th annual meeting of the company. Sun Life's share in this new business was $348,155,491, an increase of 44% over the preceding year, Mr. Wood disclosed.

Contributing to the increase in new business has been the high level of national income, scarcity of consumer goods, the increase in the ranks of life underwriters and the importance of carrying life insurance, forcibly brought home by the war, Mr. Wood stated.

Most important issue which life insurance companies faced, and are still facing, is the problem of low interest rates, Mr. Wood pointed out. In 1946 the average rate of interest realized by Sun Life was 3.52% against 3.51% in 1945, and the 1946 level was only maintained, Mr. Wood said, by receipt during the year of arrears of bond interest of an industrial corporation which was reorganized.

The Sun Life, with agencies forming a cordon extending around the world, has come to be recognized as an important international life assurance company, the president declared. When its first venture in opening up an outside agency was undertaken 67 years ago, the Sun Life became a pioneer among Canadian corporations seeking business in other markets. The first foreign agency was established in the West Indies. From this humble beginning foreign agencies of the company sprang up and now embrace practically all parts of the world except Continental Europe. The company operates in all provinces of Canada and Newfoundland. In the United States the company does business in 39 states, the District of Columbia and the Territory of Hawaii. It operates in England, Scotland, Wales, Northern Ireland and Eire. As well the Sun Life has its Eastern Department and its Western Department, Mr. Wood pointed out.

Actually, Mr. Wood stated, the operation of Sun Life in foreign countries has done much to sell the name of Canada abroad and has facilitated trade developments between Canada and other countries. Before Canadian trade commissioners were set up in some of these areas, the Sun Life was firmly established there.

Mr. Wood reviewed in detail the problems which war gave rise to in the Company's Far Eastern operations. Agencies affected, he said, were those located in China, Hong Kong, Singapore, Siam, Burma, Netherlands East Indies and the Philippines. Since V-J Day the writing of new business in these territories has been secondary to ascertaining the claims that had arisen during the period of enemy occupation and paying them immediately. Business has been resumed with gratifying results in these areas, however, Mr. Wood reported.

Sun Life Assurance Co.'s total assets have risen to more than $1.3 billions, an increase of $63.9 millions from 1945, Mr. Wood stated. These assets are distributed in bonds as to 77.7% with the balance being represented by preferred and guaranteed stocks, common stocks, mortgages, real estate, policy loans, cash and miscellaneous, the policyholders were informed. Market values of bonds and stocks are substantially in excess of book values but no credit is taken for this excess, Mr. Wood stated.

Mr. Wood's address follows:

The year 1946 has been one of unusual interest and importance in the field of life assurance. It is the first full calendar year of the transition period during which the practices introduced to meet the situations created by the war are gradually being readjusted to conform to the requirements of peacetime conditions. In our Company new records of achievement have been established as is revealed by the 76th Annual Report presented to you to-day.

The world-wide character of the business of the Sun Life of Canada is of such importance that I am prefacing my remarks with a brief account of the nature and extent of our operations abroad.

The Sun Life of Canada transacts business in many countries throughout the world. This policy was adopted early in its history, in fact 67 years ago, when Canada's small population made it obvious that in no other way could a large and prosperous life assurance company be developed within a reasonable period of time. This may appear to have been a bold venture for a small Canadian company, especially as Canada was then little known in the markets of the World.

The first outside agencies were established in the West Indies. As the years passed, agencies were opened in several countries of Central and South America and subsequently in the Far East. Later we entered Great Britain and the United States of America, in each of which countries we have now been operating for more than half a century, and where, outside of Canada, we have had our greatest development. The Company has no branches in any country of Continental Europe. To-day, with agencies forming a cordon extending around the world, the Sun Life of Canada has come to be recognized as an important international life assurance company.

The Sun Life of Canada was the pioneer amongst Canadian corporations in seeking business in other countries. From the beginning it established a reputation for security, faithful adherence to contractual obligations, sound administration and service to the community, which has special significance from a national standpoint. It has frequently been stated, and I believe with justification, that the world-wide activities of the Sun Life of Canada have been and still are an important factor in making the name of Canada well and favourably known and in paving the way for trade connections, for the Company was firmly established in many countries long before the advent of the trade commissioner.

The transaction of business in so many countries presents a variety of problems. These arise from differences in climatic conditions, race, language, customs and culture, factors which must all be considered in the calculation of premium rates and in devising plans of assurance and sales methods best suited to local conditions. Special problems also are presented by the variety of currencies in which business is conducted, legal requirements and so forth. The story of our international development would form an interesting chapter in the history of Canadian Life Assurance, but time does not permit me to-day to give more than this brief and superficial survey. Suffice it to say that our experience in countries beyond the borders of Canada shows that this business has contributed materially to the growth and prosperity of the Company.

For purposes of administration and supervision our world-wide organization is divided into the following five departments—Canada, United States of America, Great Britain, Eastern, and Western. We operate in all Provinces of Canada from coast to coast and also in Newfoundland. In the U. S. A. we do business in 39 States, the District of Columbia and the Territory of Hawaii. The British Department supervises England and Wales, Scotland, Northern Ireland and Eire. The Eastern comprises Egypt, South Africa, India, the Philippines, Hong Kong, Singapore and other countries in the Far East, and the Western embraces the West Indies, Cuba, Puerto Rico, Argentina and certain other countries in Central and South America.

**Business in Enemy-Occupied Countries**

In the early months of 1942, when the Japanese overran many countries in the Far East, all contact with our agencies in these localities ceased immediately. The agencies affected were those located in China, Hong Kong, Singapore, Siam, Burma, Netherlands East Indies and the Philippines. To assist in making arrangements for the payment of premiums we promptly put into effect a plan to locate relatives, friends, or business connections who might be interested in any policyholders in these countries. A substantial number of policyholders were protected in this way and their policies transferred on our books to Head Office. Many wives and families of policyholders had been evacuated in advance of the Japanese occupation. They were scattered all over the world and in many instances were in financial straits, the Sun Life policy being the only source of funds available.

Through the medium of our world-wide organization we were usually able to afford these unfortunate people financial help in a time of dire need.

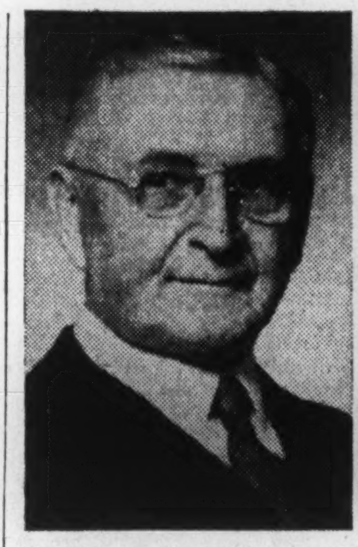
After V-J Day, as soon as permission could be obtained from the authorities, we sent representatives to the Far East to re-open our various Branch Offices. On arrival the first step was to ascertain the claims that had arisen during the period of Japanese occupation and pay them immediately, also to contact policyholders and provide facilities for placing policies in good standing. All policies that had been in force long enough to have acquired a substantial equity were continued in force automatically in accordance with the nonforfeiture features of the policy. In other cases where policies had lapsed for non-payment of premiums very liberal regulations were adopted for their reinstatement. Our one aim has been to endeavour, as far as lies in our power, to protect our policyholders from loss resulting from circumstances beyond their control.

During this period the writing of new business in these territories has been of secondary importance. Thus far new business operations have been resumed with gratifying results in Hong Kong, the Philippines and Singapore. The substantial volume now being secured bears evidence to the goodwill resulting from all we have done to safeguard the interests of our old policyholders. The resumption of new business in the other countries will be governed by prevailing economic conditions and other factors.

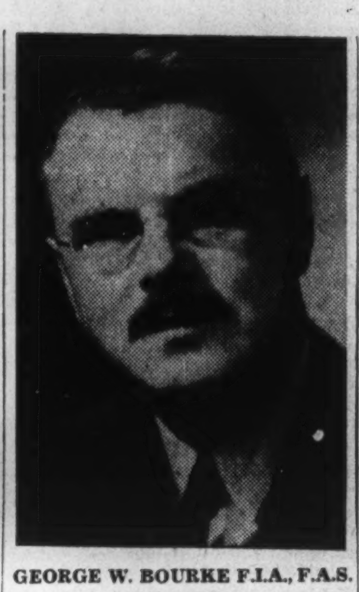
**Currencies**

The general principle observed on entering any country has been to adapt our practices to meet the needs of local conditions. Our policies are usually written in the currency of the country and policy transactions are conducted in that currency. It has been our general policy to endeavour to make investments of the funds arising from such business in securities payable in the same currencies and thus to build up a portfolio of suitable local securities. Since in some countries it is not always possible to find local investments which satisfy our necessarily exacting requirements, over the years funds have been transferred to Canada and the United States.

For Annual Statement purposes all transactions outside of Canada are converted into Canadian Dollars at appropriate rates of exchange. In recent years we have converted all our Sterling Assets and Liabilities at the old par rate of $4.87 although the market value for some years has been much lower. Because of this conservative policy a substantial currency reserve has resulted. Recently the International Monetary Fund announced the initial par value for the currency of member countries. The par value of the Pound Sterling, in terms of Canadian Dollars, is $4.03. In its first annual report the Fund recognized that "in some cases the initial par values that are established may later be found incompatible with the maintenance of a balanced international payments position at a high level of domestic economic activity." The initial par values may, therefore, have to be adjusted when the dislocations created by the war are corrected. As a prudent policy we have decided to reduce, but not to eliminate, the disparity between our exchange rates and the existing market rates. Accordingly, we have reduced the rate for the Pound Sterling to $4.45, and have made appropriate changes in the rates for other currencies.



**ARTHUR B. WOOD, F.I.A., F.A.S.**
**President reviewed 76th annual report**



**GEORGE W. BOURKE F.I.A., F.A.S.**
**Managing Director**
**appointed Vice-President at annual meeting**

The effect of these changes upon our Statement figures has been to reduce the dollar value of the business in force, assets and liabilities payable in such currencies. However, the portion of the special currency reserve so released has, as a matter of conservative practice, been retained as an addition to the normal statutory or mathematical reserves.

I will now discuss the main features of the business and financial reports.

**NEW BUSINESS**
**Life Assurances**

The outstanding feature of the year 1946 is the substantial increase in the volume of new assurance written by the life companies in Canada, the United States and Great Britain. A high level of national income, well distributed, combined with a scarcity of consumer goods, and the increase in the ranks of life underwriters following the return to civil life of men from war services, have been important contributory factors. The war period has also thrown into bold relief the vital importance of life assurance, while the great contribution made by the companies to the successful prosecution of the war has brought them a measure of public confidence never before equalled. The volume of new assurance secured by our Company during 1946 was $348,155,491. It represents an increase of 44% over the preceding year and includes new Group assurance policies for $33,026,514.

**Annuities**

New Annuity business also showed a substantial increase. Individual contracts numbering 3,680 were sold, and in addition 16 Group Pension contracts covering 4,917 lives. The annual payments thus provided, payable either immediately or on the attainment of a specified age, form the impressive total of $6,033,236. On the basis of income value, the test now commonly used to determine a man's life assurance needs, annuities and assurances may be reduced to a common denominator by regarding an annuity as the equivalent of the amount of assurance required to purchase such an annuity. On this basis the new annuity business corresponds approximately to $80,000,000 of life assurance, or nearly 25% of the new life assurances reported.

**BUSINESS IN FORCE**
**Life Assurances**

An increase of $182,760,426 over the figure for the previous year brings the assurances in force to $3,573,132,753. But for the change in the value of various currencies, already referred to, a substantially larger increase would have been disclosed. The assurances in force are distributed as follows: Canada $1,166,594,431 (32.7%), United States of America $1,482,415,586 (41.5%), Great Britain $433,925,245 (12.1%), Eastern Department $321,768,706 (9.0%), Western Department $168,428,785 (4.7%).

**Annuities**

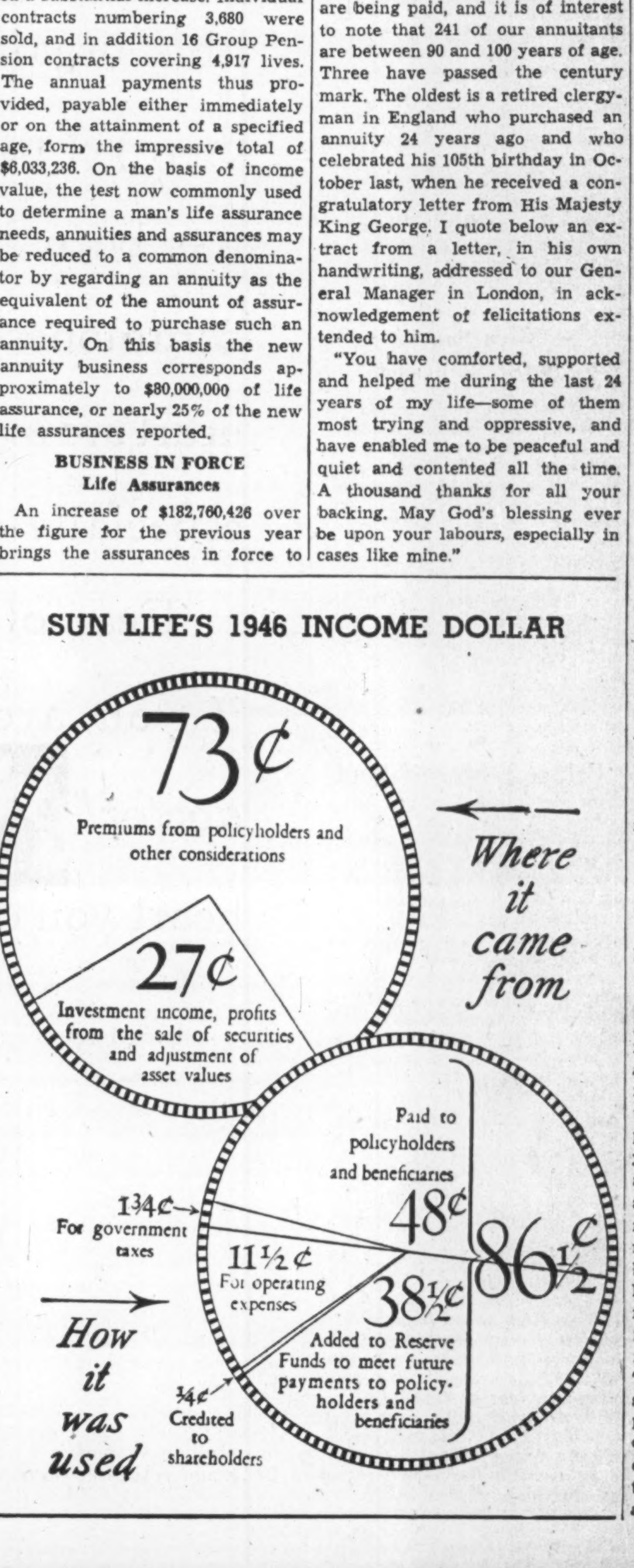
Annuities in force consist of 41,451 policies purchased by individuals, and 231 Group Pension contracts entered into with corporations for the benefit of employees numbering 56,117. Payments totalling $10,248,253 per annum are presently being paid, and incomes totalling $46,164,579 per annum are being provided for to become payable on the attainment of specified ages. On the basis of income value the combined total, $56,412,832 per annum, is the equivalent of about $735,000,000 of life assurance.

Thus our Company's contribution to social security resulting from the operations of the life assurance and annuity branches combined is the equivalent of $428,000,000 of new business and $4,300,000,000 of assurances in force.

In the social fabric of our times annuity business plays an important part, and annuitants are quick to realize that the possession of a guaranteed annuity adds much to their comfort and peace of mind. That this is conducive to longevity is reflected in annuity experience. We now have 25,316 annuity contracts under which regular incomes are being paid, and it is of interest to note that 241 of our annuitants are between 90 and 100 years of age. Three have passed the century mark. The oldest is a retired clergyman in England who purchased an annuity 24 years ago and who celebrated his 105th birthday in October last, when he received a congratulatory letter from His Majesty King George. I quote below an extract from a letter, in his own handwriting, addressed to our General Manager in London, in acknowledgement of felicitations extended to him.

"You have comforted, supported and helped me during the last 24 years of my life—some of them most trying and oppressive, and have enabled me to be peaceful and quiet and contented all the time. A thousand thanks for all your backing. May God's blessing ever be upon your labours, especially in cases like mine."

SUN LIFE'S 1946 INCOME DOLLAR



## 1946 Benefits Paid by Leading Canadian Company Over 100 Millions

### New Medical Research Fund Established by Companies in U. S. and Canada—Will Study Heart Disease

Letters such as this afford eloquent testimony to the beneficent character of life assurance service.

**Income and Expenditure**

Premiums from policyholders amounted to $152,565,625, an increase of $19,455,880 over last year, while the income from all sources, $242,567,791, exceeded last year's record figure by $23,189,101.

Striking evidence of the element of trusteeship implicit in our service is afforded by the financial statement. The sum of $30,568,601, which represented 40% of all deaths claims, matured endowments and dividends becoming payable during the year, was left with the Company for investment and future disbursement under a variety of arrangements. The withdrawals during the year amounted to $17,000,000 leaving the volume of such funds now in our custody at the high figure of $124,900,000. Payments to policyholders and beneficiaries are the only important items of expenditure that call for special comment. These amounted to $101,485,671, an average of about $360,000 distributed during each working day. Total payments to policyholders since organization now amount to $1,920,000,000.

**Assets**

Total Assets have now reached the figure of $1,343,132,974, an increase of $63,875,629 for the year. The distribution of the assets is shown in the following table:

| | |
|---|---|
| Government Bonds | 54.1% |
| Municipal Bonds | 3.1 |
| Public Utility Bonds | 15.0 |
| Industrial Bonds | 5.1 |
| Railroad Bonds | .4 |
| Total Bonds | 77.7% |
| Preferred & Guaranteed Stocks | 2.5% |
| Common Stocks | 6.3 |
| Mortgages | 4.7 |
| Real Estate | 1.2 |
| Policy Loans | 4.1 |
| Cash | 1.1 |
| Miscellaneous | 2.4 |
| Total | 100.0% |

All assets appear in the statement at book values, in no case exceeding cost. The market values of both bonds and stocks are substantially in excess of book values. No credit is taken for this excess.

The proportion of assets in Government Bonds is now at the all time high of 54.1%. Investments in Public Utility and Industrial Bonds both increased, and Preferred Stock holdings increased by $11,315,000. Holdings of Common Stocks were reduced by sales made in the favourable markets which prevailed during the first eight months of the year. A material contribution was made to the housing needs of Canada and the United States by the investment of $17,260,000 in mortgages. In Canada we have 8,800 National Housing Act Loans, the outstanding balances of which amount to $20,824,000. Of our total Mortgage Account, $51,343,000 has been lent in Canada and $12,002,000 in the United States. As a matter of fact we have made over 13,000 N.H.A. loans to date. Due to exceptionally heavy repayments of $12,759,000, the net increase in our Mortgage Account was only $4,501,000. This Account now stands at $63,345,000, the highest figure in the history of the Company. Although there has been an increase in new policy loans, the Account has continued to decline as the result of repayments and changes in exchange rates, and now represents 4.1% of the assets, the lowest figure on record.

During the war and immediate post-war period, borrowing by governments absorbed a very high proportion of our funds. The abrupt decline which has taken place in such borrowing leaves more money available for investment in normal channels. Once again life assurance funds will flow to meet the needs of industry and commerce by providing long term loans, making mortgages to homeowners, and purchasing the obligations of public authorities.

**Surplus Earnings**

The meaning of Surplus Earnings, like many of the terms commonly used in life assurance, is not clearly understood by the public. Surplus in Life Assurance may be defined in simple language as the assets of a company in excess of those requisite to meet the entire liabilities of the company. And so surplus earnings is that portion of the year's total receipts which remains after all obligations and expenses arising during the year have been met, as well as the increase in the mathematical reserves which must be held to meet future policy obligations. These earnings arise from favourable mortality, economies of management, and interest earned in excess of legal requirements. The combined gains from these sources constitute the normal surplus earnings out of which dividends are paid. There are other earnings which arise chiefly from the sale and redemption of assets and to these, because of their irregular and uncertain character, the term "non-recurring" has been applied.

The normal surplus earnings resulting from the year's operations amounted to $23,216,115. After making provision for policyholders' dividends and credits to Shareholders' Account, and after increasing various miscellaneous reserves, the balance, $4,303,662, has been added to surplus.

The "non-recurring" earnings totalled $15,168,838. These arose mainly from the sale of bonds which had risen to a premium over cost as a direct result of the decline in interest rates. Part of this amount was used to increase the surplus, bringing the combined surplus and contingency reserve over all liabilities and capital stock account up to $85,323,080 or 6.8% of the total liabilities. The balance of the "non-recurring" earnings was added to the fund that is being accumulated to provide for whatever contingencies may arise as a result of the present level of interest rates.

The increased scale adopted last year for the distribution of dividends to policyholders will be continued for the dividend year commencing April 1st next.

**Interest Rates**

The problem of low interest rates is still the most important issue with which the life companies are faced. The average rate of interest realized by the Company in 1946 was 3.52% as compared with 3.51% in 1945. The maintenance of the rate at this level is explained by the receipt during the year of arrears of interest on the bonds of an industrial corporation which had undergone a reorganization.

**Mortality Experience**

Our mortality experience during 1946 was the most favourable on record, notwithstanding the inclusion of $1,200,000 of deferred war claims not previously reported. This brought the total claims resulting from World War II up to $9,800,000, a figure which, however, represents only 5.7% of the death claims from all causes during the war years.

Mortality investigations reveal much interesting information. From these statistics we observe the great improvement that has been taking place in mortality rates for many years past, and from the tabulation of death claims by cause we discover those diseases which have taken the greatest toll of human life. Using our own Company's experience as an illustration, and taking the index figure 100 as representing our Company's death rate in the years just prior to World War I, we find that the comparable figure to-day is 70, an improvement of 30%. A closer analysis reveals that the improvement in mortality has been mainly at the young and middle ages, very little change having taken place at the advanced ages. The discoveries of medical research are largely responsible for the improvement that has occurred, the death rates from diseases of childhood and from tuberculosis, pneumonia, typhoid and other communicable diseases having been greatly reduced. Fifty years ago tuberculosis, typhoid, pneumonia and influenza caused about 31% of the total annual deaths in life assurance experience. In our Company to-day these diseases account for only about 5% of the deaths from all causes. On the other hand, diseases of the heart, apoplexy and nephritis formerly caused 73% of the total deaths; to-day they form 57%. This comparison, however, does not necessarily mean that the death rate from diseases of the circulatory system has increased. Changes in diagnosis, and particularly in the age distribution of the business in force, are largely responsible for the rapidly increasing proportion of deaths from these causes. What the figures do reveal is that heart disease is numerically the most important cause of death to-day, with cancer occupying second place.

Another impressive fact disclosed by an analysis of the year's claims experience is the substantial number of deaths that occur during the first year of assurance. Last year in Canada and the United States we paid claims totalling $244,304 under 121 policies that had been in force less than one year. A substantial number of these were caused by accident, but others were due to diseases of various kinds notwithstanding that each life had been accepted only a few months before as being in sound health. The lesson to be derived is obvious. The hazards of life are many and unpredictable, and anyone needing life assurance should not delay in securing protection. Also, everyone should resolve to keep his policy in good standing at all times by the prompt payment of premiums.

**The Health Of The Nation**

Much has been written about the part played by life assurance in the economy of the nation, but the contribution it has made to the health of the community is less well-known.

The primary function of the life assurance companies is to insure as many people as possible at the lowest possible cost and so accomplish the maximum amount of social good. As the rate of mortality is a primary factor in the cost of assurance, the life assurance companies are keenly interested in all movements designed to improve the nation's health. Over the years the companies have taken an active part in public health campaigns and have made material contributions to medical research. They have also co-operated with public bodies in seeking the adoption of sound public health legislation, and have generally supported movements to educate the public on such matters.

Recently, under the auspices of the life assurance companies, there has been established in the United States of America the Life Insurance Medical Research Fund. It was organized in 1945 by a group of life companies and its membership now comprises 139 American companies and the 10 Canadian companies operating in the United States. Its purpose is to investigate the causes of various diseases in the hope of discovering means of prevention and cure. For the time being research will be confined to the field of cardiovascular diseases, which, as I have already stated, are responsible for the majority of deaths in life assurance experience to-day. The companies which are members of the Fund have undertaken to make annual contribution on a definite basis for a period of five years to start with, the total of such contributions now being $600,000 per annum. The Fund has a Board of Directors, a Scientific Director and an Advisory Council of prominent medical scientists whose duty it is to pass upon all applications for grants for research projects. The Canadian companies are represented on the Advisory Council. Already research experts are at work in laboratories in 22 States and in Canada.

Medical research is a slow process. As a rule advances in knowledge are the results of the efforts of many investigators over a long period of time. Years may pass, therefore, before concrete, practical results are achieved. Nevertheless the life assurance companies are confident that they are making a substantial contribution to medical progress, and take pride in their efforts to improve the health of the nation.

**Breaks in Our Ranks**

It is with profound regret that we record the death during the year of two of our Directors. Mr. Morris W. Wilson, who died on May 13th last, possessed an exceptional quality of human understanding and clarity of mind. In the eight and a half years he served on the Board his vast experience, together with his practical common sense and sound judgment, were invaluable assets in the discharge of the Board's responsibilties. His death was followed on August 11th by that of Mr. John W. Ross who had been a member of the Board for nearly thirty years. During this long period his interest in the Company's affairs was unremitting, and the contribution he made to the Board's deliberations was of inestimable value.

**Our Staff**

The review of the year's operations fails to disclose the valuable hidden asset the Company possesses in its efficient organization comprising the officers, members of Head Office and Branch Office staffs, managers and field representatives throughout the world. Working together as a team they have demonstrated keen interest in their work, loyalty and devotion to duty, factors which have made possible the splendid report presented to you to-day. To one and all we extend sincere thanks.

I will now close by directing your attention to the accompanying chart headed "Your Company's 1946 Income Dollar." This method of summing up the results of the year's operations was introduced by our Company two years ago as a simple means of demonstrating how, in the conduct of our business, policyholders' interests are conserved.

We present this account of our stewardship, confident in the knowledge that it will demonstrate the Company's recognition of its duties and responsibilities to policyholders and the community at large.

1946
A Record Year
for
EMPIRE LIFE

Sound growth in financial strength and security to policyholders is reflected in the Company's operations as shown by this summary from the Annual Report.

| | |
|---|---|
| Insurance In Force : : | $70,970,105 |
| Total Income : : : : : | $ 2,767,923 |
| New Insurance, paid for and revived : : | $14,282,634 |
| Total Assets : : : : : : | $14,775,922 |
| Policy Reserves : : : : | $12,597,052 |
| Payments to Living Policyholders and Beneficiaries : : : : | $ 999,712 |
| Surplus for Protection of Policyholders . . | $ 1,526,245 |

*A Copy of the Annual Report will be mailed on request.*

EMPIRE LIFE
INSURANCE COMPANY
KINGSTON ONTARIO

G. E. LESLIE & CO.
*STOCK BROKERS AND GENERAL INVESTMENT DEALERS*

*MEMBERS:*
Montreal Stock Exchange Montreal Curb Market
*Montreal and Toronto Ticker Service*
*Head Office:* Royal Bank Building, Montreal
*BRANCHES:*
Halifax, N.S. Sydney, N.S. Saint John, N.B. Moncton, N.B.
*Private wire connections with the Maritime Provinces and New York, Toronto and other leading financial centres.*

NEW ISSUE

50,000 5½% Cumulative Preference Shares
(Par Value $5.00)
50,000 Common Shares
(No Par Value)

Triumph
DISHWASHERS
LIMITED

CAPITALIZATION
(Upon completion of present financing)

| | Authorised | To Be Outstanding |
|---|---|---|
| Preference Shares ($5.00 Par Value) ....... | $500,000. | $410,300. |
| Common Shares (No Par Value) ........... | 500,000 Shares | 306,487 Shares |

COMPANY

Triumph Dishwashers Limited was incorporated in July, 1946, under the laws of the Province of Ontario as a manufacturing company of domestic appliances. The Company proposes to completely equip their factory, situated in Guelph, Ontario, to permit large scale assembly of the Triumph Automatic Dishwasher and as a future program, other products of the domestic appliance field. A modern plant is owned by the Company with a ground floor space of approximately 30,000 square feet. This plant will be fully equipped to carry out a proposed production schedule of 5,000 units per month. Funds from present financing will be allocated for this purpose in addition to such alterations to the factory that may be necessary. On the basis of the Pro-Forma Balance sheet, after providing for all capital expenditures, the sum of $140,379.74 will be available as working capital.

THE PRODUCT

Culminating over six years of technical research and engineering development the Company has evolved a radically different, truly automatic dishwasher. The Triumph Automatic Dishwasher is a masterpiece of engineering design presenting simplicity and economy of operation, perfection of performance and importantly, priced within the range of the average household budget. Several models have been manufactured, proving that the machine answers in every respect the exacting requirements of the designer for a perfect dishwasher. World patent, manufacturing and distributing rights are wholly owned by the Company. Late last year a questionnaire was sent out to principal electrical appliance dealers throughout Canada to determine the extent of the market for this product. The results of this survey indicated a potential market of hundreds of thousands of these dishwashers with practically no competition in the price range.

EARNINGS-ESTIMATE

On the basis of the proposed primary production schedule of 5,000 units per month it is anticipated that there will be a net operating profit of $25.00 per unit, or $125,000 monthly. Assuming the sale of this offering there is a net profit equal to slightly over $2.00 on both the Preferred and Common shares. The Preference Shares are entitled to fixed cumulative preferential dividends at the rate of 5½% per annum and to participate pari passu with the Common shares in any further dividends which may be paid in any year after providing for the fixed preferential dividends for the preceding years and after providing for dividends on the Common Shares at the rate of 5½ cents per share and up to an additional 6 cents per share in respect of unpaid dividends on the Common shares for previous years.

TRIUMPH
DISHWASHERS LIMITED

HEAD OFFICE
228 Jane Street
Toronto, Ontario

FACTORY
Guelph, Ontario

PRICE: $6.00 per unit of one (1) Preference Share (@ $5.00) and one (1) Common Share (@ $1.00)
BUY THROUGH YOUR BANK OR BROKER

*Informational Booklet and Prospectus available on written request.*

# Disagree on Coal's Future

## *Commission Findings Far From Unanimous*

OTTAWA (Staff)—Lack of a firm and resolute hand on the part of the Chief Commissioner, Mr. Justice Carroll, is attributed here as the chief reason for failure of the Royal Commission on Coal to make greater headway and to reach greater unanimity in its recommendations.

General size-up of the report is that it is long on facts and short on conclusions. Not many go as far as Clarence Gillis, M.P. who termed it "one of the most disappointing documents I have ever read." But they admit that a great deal of more positive and intensive conclusions had been hoped for—especially in view of the great amount of important and informative factual material gathered.

Much of the time when the report was being prepared, Mr. Justice Carroll was not in Ottawa at all. Angus Morrison, the Labor member on the Commission, had his own ideas about what he had learned in months of first-hand study of the coal industry. Mr. Justice McLaurin is credited with having gone ahead on his own and whipped the available material into shape.

Most careful and detailed of the recommendations are those written and signed individually by Angus Morrison. This minority report (11,000 words) is in itself a noteworthy and carefully-thought-out document. Mr. Morrison does not believe the brief recommendations of his two fellow-commissioners are "an adequate approach or are sufficiently basic to place Canadian coal mining on a sound economic foundation." He emphasizes that there is not "one" coal mining industry in Canada but "several"—each with its own distinct problems. He urges:

(a) Planned purchases by Canadian railways on a long-term basis to aid productivity and efficiency in the steam coal mines of Alberta.

(b) Extension of the present transportation subvention policy to enable Alberta "domestic" coal to be marketed competitively in northwestern Ontario; creation of a central selling agency to keep distribution costs down.

(c) Determination, as a matter of national policy, whether special aid should be given to maintain the disappearing productivity of Vancouver Island mines "from the standpoint of security in a national emergency."

(d) Consideration as to the setting up of a central cleaning and preparation plant in New Brunswick.

(e) Emphatic disagreement that "nationalization is a desirable solution" in Nova Scotia. "I believe that the situation should be considered as a challenge to private enterprise and that government assistance should be continued, subject to the private interests' making a genuine effort to organize this operation."

(f) A review of customs duties on production equipment and essential supplies "with a view to reducing coal mining production costs."

(g) A complete recasting of the administration of transportation subventions, with special attention to long-term declaration of policy to encourage "long-term development of new markets."

(h) Recommendation for standard accounting procedures where firms are receiving government assistance.

(i) Recommendation to provincial governments that "closed camps" should be immediately ended.

(j) Creation of industry-wide retirement pension plans for coal workers.

Postwar federal aid to Nova Scotia coal mines was the question on which the three Royal Commissioners really stubbed their toes when they came to finish off their 400,000-word report.

Chief Commissioner W. F. Carroll signed a majority recommendation along with Mr. Justice Campbell McLaurin. They said:

"It is not our intention to suggest that transportation subventions should be available to aid in the recapture of markets which, prior to the war, were supplied by Nova Scotia producers without assistance. Operators throughout Canada should not be encouraged to rely on subventions if improved methods of production will lower costs. With the necessary contribution from both management and labor, there is no adequate reason why Nova Scotia mines should not recapture the Montreal market without subvention assistance.

"The principal operators in Nova Scotia propose extended mechanization and predict that in many mines it will raise productivity above the pre-war level The proposed improvements are overdue. The improvements contemplated will involve a very substantial capital outlay, and the operators, if they are to avoid further government regulation, cannot look for government assistance in this connection. If present capital proves inadequate the security holders themselves must make sacrifices."

### Need "Interim Support?"

Mr. Justice Carroll (himself a Maritimer) appended a "supplementary note" signed by himself in which he states his revised view that "interim support" may be necessary for Scotian coal mines "immediately following suspension of production subsidies arising out of price control."

"I am of the opinion that the Dominion Government should provide temporary assistance notwithstanding the foregoing observations on subventions and subsidies."

The third commissioner (Angus Morrison of Calgary) saw the Nova Scotian problem as "a challenge to private enterprise." He agreed that government assistance should be continued only subject "to the private interests making a genuine effort to reorganize this operation." But he did not agree that subsidy assistance could be dropped overnight:

". . . it appears impossible that this assistance can be terminated within any short period of time, without a collapse of production and employment . . . I therefore recommend that the Dominion Government should be prepared to continue a degree of subsidy assistance to the coal mining industry of Nova Scotia after the expiration of the emergency wartime powers under which these subsidies are now administered."

### See Incentive Removed

The huge report shows clearly that of paramount concern to all commissioners, is the drastic decline in man-day production at the Scotian mines. From 2.7 tons in 1939, the Dominion Coal output is stated to have slumped to about 1.5 tons. This, and consequent increase in costs, has put the N.S. product quite out of line with U.S. coal, which once was competitive into Montreal.

A number of explanations are offered, most important being the obvious effect of wartime subsidies in removing incentive both from management and labor, to increase efficiency and productivity.

The three commissioners agreed on at least three matters:

1. That nationalization was no "cure-all" for coal mining troubles in Canada.
2. That Canada should abandon any idea of being self-sufficient in her coal supply.
3. That a statutory Canadian Fuel Board should be named to replace the present "part-time" administration.

## Saskatchewan Phones Establish New Records

From Our Own Correspondent

REGINA — Long-distance messages completed over Saskatchewan's telephone system in 1945-46 set a new high of 4,122,878, an increase of 478,556 over the previous year. Toll line facilities were increased, 619 miles of physical circuits were erected, which, together with derived circuits obtained thereby, provided 2,226 miles of additional toll circuits.

At the close of the fiscal year there were 52,346 local and 39,278 rural telephones connected to the department's exchanges and in addition 716 local and 11,045 rural telephones connected to nondepartment exchanges, a total of 103,385 telephones receiving local and long-distance services.

A net increase of 3,567 in installation of local subscriber telephones, the largest increase in 20 years, is reported.

---

**HUGH MALARTIC MINES** has received payment covering Feb. 1 installment on 62,500 shares at eight cents. Issued capital, 2,522,506 shares.

Management Control Engineers — Analysts & Consultants

G. R. M. DINGLE AND ASSOCIATES

Surveys — Reports
Recommendations
and
Complete Installations
based upon
Modern Methods

*"Let us know your problems— we can help you solve them— using your own staff"*

Management Control Accounting
Production Control
Material Control
Stores Setups
Material Handling
Costing of Production

*"This is the time to do it—right now"*

Address Room 506 — 45 Richmond St. W., Toronto — Tel. WA. 5386

## New Research Official Is Appointed by Inco

NEW YORK—Apointment of O. B. J. Fraser as assistant manager of the development and research division of the International Nickel Co. is announced by Robert C. Stanley, president. He succeeds H. J. French, who recently was made assistant vice-president of the company.

For the past 13 years Mr. Fraser has been director of technical service on International Nickel's mill products, and since March, 1945, he has also headed the industrial chemicals section of the development and research division in New York. Mr. Fraser for some years has been directing International Nickel's investigational work at Mellon Institute of Industrial Research, Pittsburgh, Pa., on certain problems in the chemistry and technology of nickel.

Dack's
CUSTOM GRADE

*The Most Important Part of* THE SHOE YOU BUY

*For more than a century the name "Dack's" on a shoe has been a nationally accepted mark of sound leather and fine workmanship.*

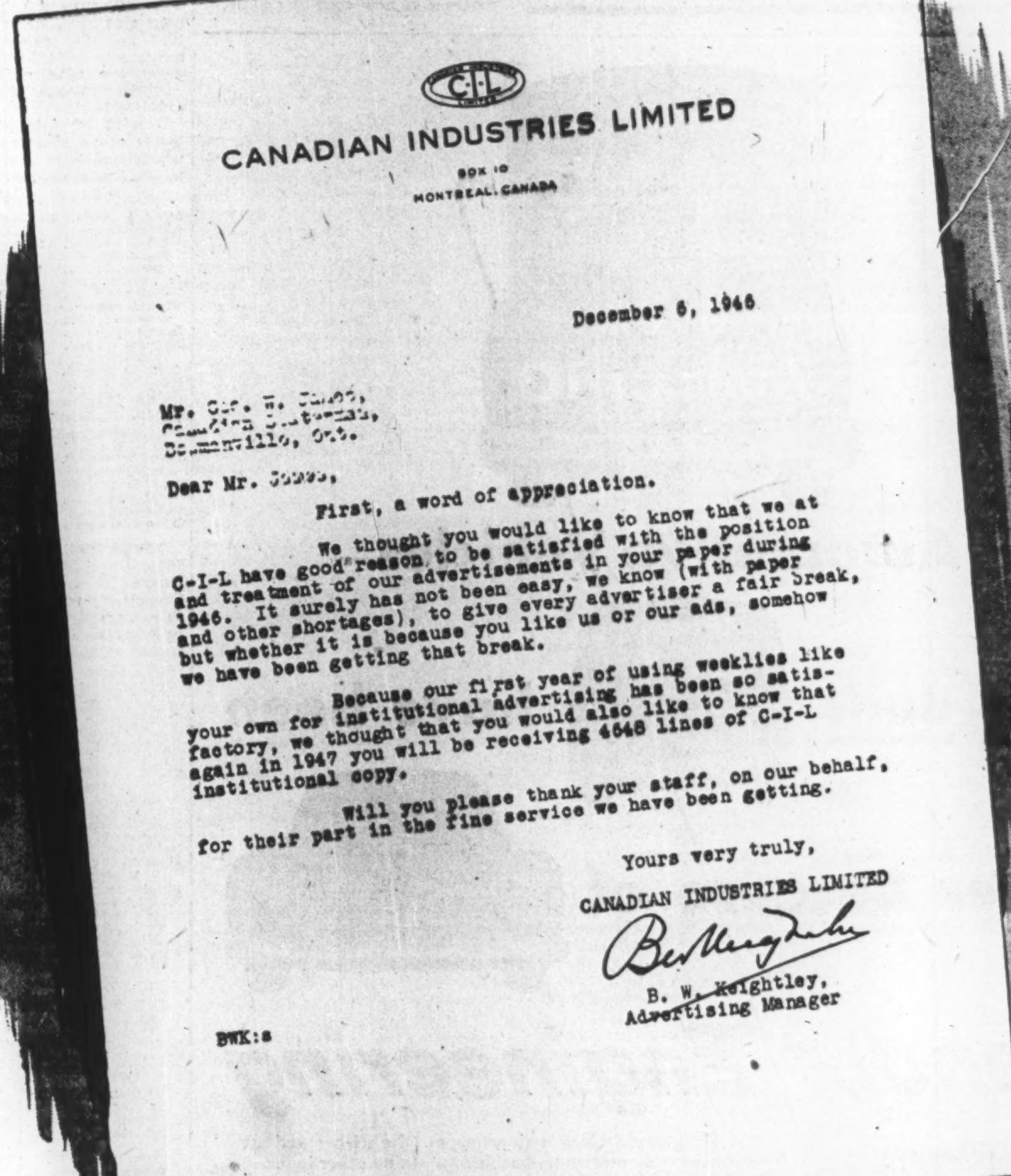
*Yet despite rising costs, Dack's have held to the price line and kept faith with their customers during the long years of shortages. Dack's have never held back or exported their shoes for higher prices. And today Dack's shoes are in every detail as good as they have always been.*

*A shoe by any other name? Not for the wearers of Dack's!*

Dack's
SHOES FOR MEN

DS-17

"...A WORD OF APPRECIATION"



C-I-L
CANADIAN INDUSTRIES LIMITED
BOX 10
MONTREAL, CANADA

December 6, 1946

Mr. Geo. W. [illegible],
[illegible],
Bowmanville, Ont.

Dear Mr. [illegible],

First, a word of appreciation.

We thought you would like to know that we at C-I-L have good reason to be satisfied with the position and treatment of our advertisements in your paper during 1946. It surely has not been easy, we know (with paper and other shortages), to give every advertiser a fair break, but whether it is because you like us or our ads, somehow we have been getting that break.

Because our first year of using weeklies like your own for institutional advertising has been so satisfactory, we thought that you would also like to know that again in 1947 you will be receiving 4648 lines of C-I-L institutional copy.

Will you please thank your staff, on our behalf, for their part in the fine service we have been getting.

Yours very truly,
CANADIAN INDUSTRIES LIMITED
B. W. Keightley,
Advertising Manager

BWK:s

CANADIAN WEEKLY NEWSPAPERS ASSOCIATION
REPRESENTING OVER [illegible] WEEKLY NEWSPAPERS ACROSS CANADA

Central Office: Brampton, Ontario, Telephone WAverley 6358 • Toronto Office: 1105 Temple Bldg., Telephone WAverley 2353

*JACK: Why the happy smile, Bill—pick yourself a winner?*

BILL: Sure did . . . when I picked Canadian-European Forwarders to handle all our export shipments for us.

*JACK: What did they do this time?*

BILL: I'll tell you. We had a big shipment for India—$10,000.00 worth of goods—with a letter of credit expiring in Toronto on the 30th of the month, on which the buyer refused to extend the expiry date. Everything looked rosy until my supplier fell down badly on delivery, and could not have the goods ready till the 19th at noon. The only possible steamer was loading in New York from the 27th to 29th—and the letter of credit specified "on board" ocean bills of lading.

*JACK: Mean to say Canadian-European Forwarders got you out of that mess of trouble?*

BILL: Sure did! The same afternoon I phoned them, they made me up a special car to New York, had it traced all the way and had their New York office arrange special delivery and immediate loading aboard the steamer. Then they got the Steamship Company to sign the "on board" documents at once, though usually this isn't done until after the vessel leaves. As a result I was able to cash my letter of credit in Toronto, with 48 hours to spare. Canadian-European Forwarders did a marvellous job and saved us from a heavy loss.

*An actual case taken from our files.

**CANADIAN-EUROPEAN FORWARDERS LTD.**

*Canada's Leading International Freight Forwarders*

Empire Building
TORONTO 1

EL. 5491*
(4 lines to Central)

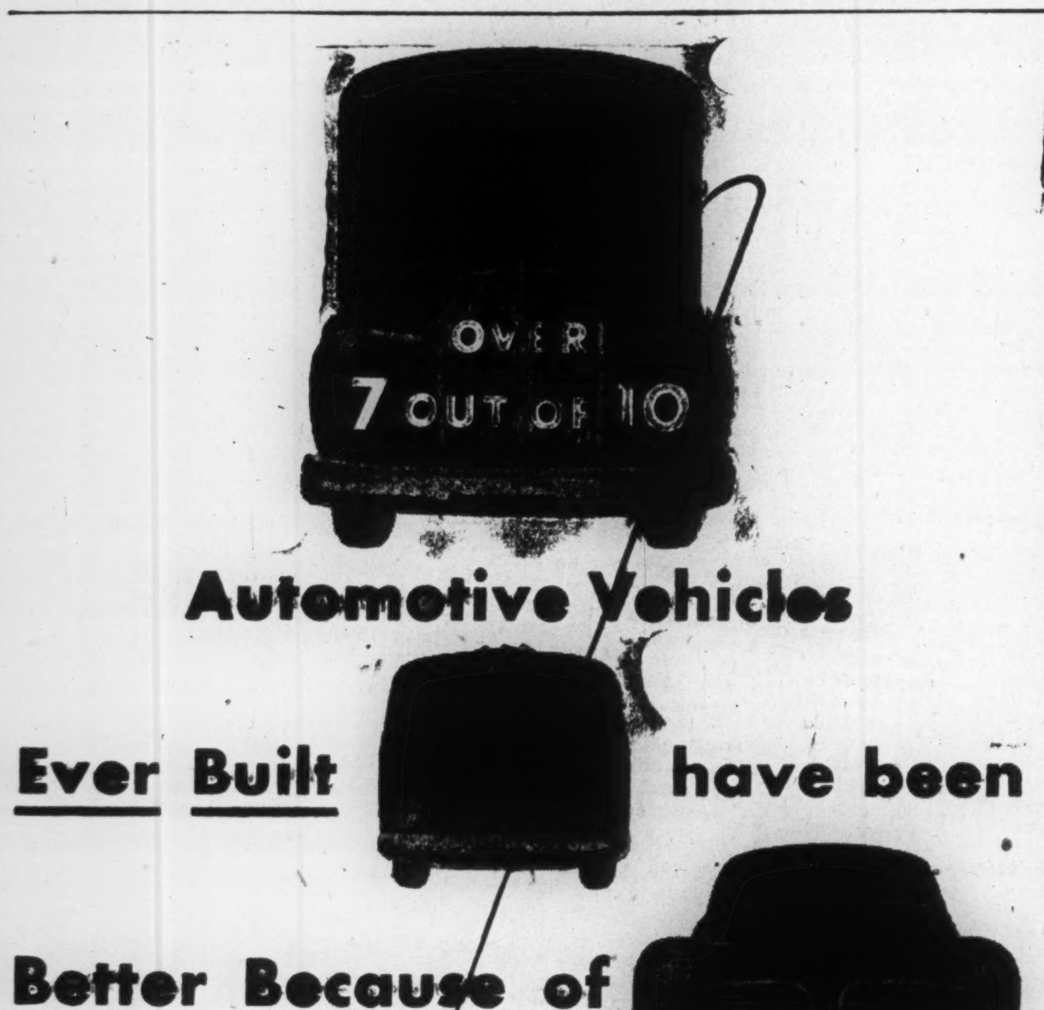
Canada's Most Versatile

Tanners

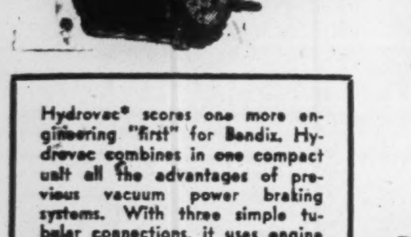
**FINE sheep and goat leathers . . fancy and embossed leathers, Shearlings, dyed lamb and Mouton Fur.**

**DONNELL and MUDGE Limited**

NEW TORONTO
DISTRIBUTOR - FRED'K WHITLEY & CO. MONTREAL



**Bendix Engineering**



The dictionary defines engineering as "the science and art of constructing and using machinery." In no other industry has progressive engineering achieved such outstanding results as in the automotive industry. Bendix* has been the partner of this progress for over thirty years, and has always held a prominent place in the vanguard of new engineering development. Tomorrow, as in the past, the industry can confidently expect the *best* from Bendix—First in Creative Engineering.

Hydrovac* scores one more engineering "first" for Bendix. Hydrovac combines in one compact unit all the advantages of previous vacuum power braking systems. With three simple tubular connections, it uses engine manifold vacuum to give smooth, positive brake action with a minimum of driver effort. Already the industry acclaims Hydrovac as "1st in power braking."

Bendix Aviation Corporation

**BENDIX ECLIPSE OF CANADA, LTD.**
**Bendix Aviation Corporation Windsor, Ont., Canada**

Stromberg* and Zenith* Carburetors • Bendix B-K* Vacuum Power Brakes
Bendix* Brakes • Bendix-Westinghouse Automotive Air Brakes
Bendix* Starter Drives and Bendix* Cleaner. *Reg. U. S. Pat. Off.

# COMPANY REPORTS

**MUTUAL LIFE ASSURANCE CO.** of Canada reports increased assets, business in force and new insurance in 1946. Total assets at $287 millions were $17.2 millions above 1945. New business written was $105 millions and business in force on Dec. 31 $855.2 millions, a gain of almost $82 millions.

The increase in total assets was slightly less than a year ago because in 1946 a special dividend of $1.3 millions was paid to policyholders. Dominion direct and guaranteed debentures at almost $170 millions, are $16.8 millions higher and represent 59.2% of total assets. Policy loans continued to decline, although the decrease in 1946 was considerably less than in either the two proceding years. Interest earned in 1946 was 3.96% (4.27% in 1945).

General expenses were higher, due to the large increase in new business. Surplus earnings were $5.5 millions which allowed payment to policyholders of $3.9 millions regular dividends; $400,000 added to provision for dividends for 1947, $500,000 added to special investment reserve and $832,314, added to unassigned contingency fund and general investment reserve.

W. H. Somerville, vice-president and general manager, announced that the company would change to a 2½% interest earnings basis in calculating its premiums soon, to meet the lower interest levels.

| | 1946<br>$ | 1945<br>$ |
|---|---|---|
| Insur. in force .... | 855,165,736 | 773,548,363 |
| New insurance .... | 104,946,910 | 70,008,890 |
| Total income ...... | 44,217,077 | 39,943,584 |
| Premiums ....... | 25,620,475 | 22,577,957 |
| Int., divds., rents. | 10,536,263 | 10,616,337 |
| Policy payments .. | 16,897,185 | 14,225,453 |
| Expenses .......... | 5,422,830 | 4,386,989 |
| Ledger assets w/o. | 81,521 | 153,655 |
| Inc. in pol. res., etc. | 17,382,886 | 15,769,652 |
| Surplus earnings .. | 5,500,426 | 5,460,049 |
| P'holders divids. .. | 5,268,111 | 3,743,458 |
| Liabs. to p'hold. inc. actuarial res. .... | 259,867,503 | 242,819,275 |
| Other liabs. ........ | 4,259,701 | 4,307,644 |
| Sp. reserves ....... | 10,250,000 | 10,850,000 |
| Total assets ....... | 286,792,678 | 269,560,078 |
| Free surplus ....... | 12,415,474 | 11,583,159 |
| Interest earned .... | 3.96% | 4.27% |

**BELL TELEPHONE CO. of CANADA** 1946 net profit was up 37.8% at $8,274,370. This amounted to share earnings of $7.94 on the 1,042,584 shares outstanding at the end of 1946 or, $9.07 on the average number of shares outstanding during the year. This compares with earnings of $6.94 (excluding refundable EPT) for 1945, when 865,208 shares were outstanding.

Gross revenues increased by 10.9%, but operating expenses were up 24.7%. Taxes, however, were 31.2% less than in the previous year. The construction program to extend and improve service was the largest ever undertaken. Employees were added in unprecedented numbers and new telephone equipment was received and put into service at a rate never before equalled, President F. Johnson states. The company provided more local and long distance service, through more telephones, than in any other year. Nevertheless, as the year closed, there were even more unfilled orders for service than when it began.

Total of telephones in service at year's end was 1,177,924—up 127,811. There were about 7.4 million more long distance calls and 310 million more local calls than in 1945—increases of 16% and 14%, respectively.

Funds to finance the company's program of new construction were secured by the sale of capital stock. This resulted in issue of 177,376 new shares of company stock. Authority for a $35 millions bond issue, primarily intended for the redemption of series B 5% bonds, was given by shareholders in Feb., 1946. Directors will ask for authority for another issue of the same amount at the annual and special meeting of shareholders this month.

Supply of manufactured equipment and materials was the limiting factor in the construction program during the year. New construction at a cost of $29 millions was more than double the 1945 outlay. Buildings for new dial central office equipment, were completed in Montreal and Toronto. Others were under construction in Quebec, St. Catharines and Orillia.

INCOME ACCOUNT

| Years Ended Dec. 31: | 1946 | 1945 |
|---|---|---|
| Net income ........ | $31,940,152 | $34,463,439 |
| Less: Deprec. ...... | 10,425,072 | 9,643,183 |
| Bond int. ......... | 3,211,067 | 3,231,563 |
| Other int. ......... | 203,729 | 112,733 |
| Disc. & exp. ..... | 6,076 | 6,076 |
| Amort. bd. disc. . | 150,426 | 150,428 |
| Other charges ... | 102,412 | 199,375 |
| Inc. taxes♦ ....... | 9,567,000 | 15,117,000 |
| Net profit ......... | 8,274,370 | 6,003,081 |
| Less: Divds. ....... | 7,299,118 | 6,897,980 |
| Surplus for year ... | 975,252 | †894,899 |
| ♦Incl. ref. EPT .. | ...... | 2,301,000 |

†Deficit.

| | | |
|---|---|---|
| Times Bd. Int. Earn.‡ | 6.43 | 7.20 |

‡Incl. other charges, after deprec. and other int.

Earnings per Share and Dividend Record:

| Earned: | | |
|---|---|---|
| Excl. ref. EPT.. | *$9.07 | $6.94 |
| Incl. ref. EPT .. | 9.07 | 9.60 |
| Paid ........... | 8.00 | 8.00 |

*Based on average no. shs. o/s during year.

CONDENSED BALANCE SHEET

| As at Dec. 31: | 1946 | 1945 |
|---|---|---|
| Cash .............. | $641,271 | $764,296 |
| Investments† ....... | 9,193,850 | 5,621,022 |
| Accts. rec. ......... | 7,408,584 | 6,808,198 |
| Inventories ........ | 5,913,113 | 4,298,059 |
| Total curr. assets. | 23,156,818 | 17,491,575 |
| Invest. secs.▲ ...... | 21,767,596 | 20,924,978 |
| Def. debits ......... | 2,984,558 | 2,882,266 |
| Fixed assets ....... | 278,472,885 | 252,649,926 |
| Total assets ..... | 326,381,857 | 293,948,745 |
| Accts. & tax. pay. .. | 10,645,569 | 13,144,345 |
| Other curr. liab. .. | 4,568,967 | 3,985,863 |
| Total curr. liab. . | 15,214,536 | 17,130,208 |
| Def. credits ....... | 3,246,784 | 2,611,165 |
| Funded debt ...... | 76,684,082 | 77,211,425 |
| Deprec. res. ....... | 99,949,293 | 92,384,669 |
| Capital stock ...... | 104,439,864 | 86,520,800 |
| Cap. stk. prem. .... | 15,388,254 | 7,700,784 |
| Cap. surplus ...... | 2,544,500 | 2,507,684 |
| Earned surp.▲ ...... | 8,914,544 | 7,882,010 |
| †Market value ... | 9,197,892 | 5,658,516 |
| ▲Incl. ref. EPT .. | 6,506,813 | 6,453,113 |
| Working capital ... | 7,942,282 | 361,367 |

**SUN LIFE ASSURANCE CO.** of Canada's new business in 1946 totalled $348.1 millions, 44% over 1945. The figures include new group policies for $33 millions. New annuity business also was higher, 3,680 individual and 16 group pension contracts covering 4,917 lives, being sold. New annuity business corresponds approximately to $80 millions life insurance or almost 25% of the new life insurance reported.

Insurance in force at almost $3.6 billions was up $182.7 millions. The company does a lot of business outside Canada and of total in force, 32.7% is in Canada; 41.5% in the United States; 12.1% in Great Britain; 9% Eastern Department; 4.7% Western Department.

Total income of $242.6 millions included $152.6 millions of premiums. Policy payments were 101.4 millions an average of about $360,000 each working day. Total policy payments since organization now exceed $1.9 billions. Of all death claims, matured endowments and dividends payable during the year, $30.5 millions or 40% was left with the company for investment and future disbursement under various plans.

Total assets exceeded $1.3 billions, up $64 millions. Of this 54.1% is in government bonds; $17.2 millions was invested in mortgages in 1946 and the company has $20.8 millions in NHA loans. Total mortgages are $63.4 millions. Interest earned on invested assets was 3.52% (1945 3.51%).

Receipt of interest arrears on bonds of an industrial corporation which had been reorganized made maintenance of the rate possible.

| | 1946<br>$ | 1945<br>$ |
|---|---|---|
| Insur. in force.. | 3,573,132,753 | 3,390,372,327 |
| New insurance .. | 348,155,491 | 241,409,819 |
| Total income.. | 242,567,792 | 219,378,690 |
| Ins. & ann. prems. ...... | 152,565,625 | 133,109,746 |
| Int., divds., rents | 44,264,727 | 41,101,692 |
| Policy payts. ... | 101,485,672 | 90,226,068 |
| Other funds withdrawn ........ | 17,002,789 | 14,144,102 |
| Inc. in pol. res. . | 79,818,526 | 67,276,713 |
| Added to co. pen. plans ........ | 3,407,756 | 3,144,405 |
| Cred. to sh'hold. | 560,191 | 497,920 |
| Expenses & tax. | 25,860,258 | 20,243,701 |
| Health contrib. . | 123,622 | 93,229 |
| Inc. in surplus .. | 14,308,977 | 23,752,552 |
| Liabs. to pol'hold. inc. actuar. res. | 1,236,953,959 | 1,181,952,352 |
| Other liabs. .... | 12,149,292 | 17,963,927 |
| Liabs. to sh'hold. inc. $2 mil. cap. | 4,478,961 | 4,115,611 |
| Misc. & cont. res. | 19,227,675 | 19,211,352 |
| Total assets .... | 1,343,132,975 | 1,279,257,345 |
| Surplus ........ | 70,323,080 | 56,014,103 |
| Interest earned.. | 3.52% | 3.51% |

**RIVERSIDE SILK MILLS, LTD.** 1946 net profit was up 69.2%. Sales showed a healthy increase, the President's report stated. Included in net profit is $18,556.25 from sale of company's Dominion of Canada bonds; and a further addition has been made to surplus of $16,000, representing management expenses adjusted from previous years. A decrease in working capital position of $53,297, is accounted for by additions to machinery, of $122,651, made during the year.

INCOME ACCOUNT

| Years Ended Dec. 31: | 1946 | 1945 |
|---|---|---|
| Net earnings ........ | $255,701 | ...... |
| Less: Deprec. ........ | 31,336 | ...... |
| Income tax▲ ........ | 102,347 | ...... |
| Net profit* ........... | 122,018 | ♦$72,091 |
| Less: Cl. A divs. ..... | 60,000 | 60,000 |
| Cl. B divs. ......... | 40,000 | 10,000 |
| Surplus for year ..... | 22,018 | 2,091 |

♦After deducting depr. and income tax.

| | | |
|---|---|---|
| ▲Incl. ref. EPT .... | 2,000 | 11,032 |

*Note:—Co's. report includes ref. EPT in net profit and surplus for year.

Earnings per Share and Dividend Record:

| | | |
|---|---|---|
| Cl. A: Excl. ref. EPT | $4.07 | $2.40 |
| Incl. ref. EPT .... | 4.13 | 2.77 |
| Paid ............. | 2.00 | 2.00 |
| Cl. B: Excl. ref. EPT | 3.10 | 0.61 |
| Incl. ref. EPT .... | 3.20 | 1.16 |
| Paid ............. | 2.00 | 0.50 |

Note:—After participation, class A & B earned $2.44 excl. and $2.48 incl. ref. EPT in 1946; no participation in 1945.

CONDENSED BALANCE SHEET

| As at Dec. 31: | 1946 | 1945 |
|---|---|---|
| Cash & Dom. bds. .... | $532,168 | $606,525 |
| Investments ......... | ...... | 575 |
| Accts. rec., etc. ...... | 89,305 | 87,868 |
| Inventories .......... | 55,758 | 87,182 |
| Total curr. assets .. | 677,231 | 782,150 |
| Misc. assets▲ ......... | ‡43,371 | 44,832 |
| Fixed assets* ........ | 294,839 | 203,525 |
| Total assets ........ | 1,015,441 | 1,030,507 |
| Due bank ............ | 18,670 | 28,871 |
| Accts. & tax. pay. ... | 111,991 | 156,874 |
| Total curr. liab. ... | 130,661 | 185,745 |
| Capital stock ........ | 300,000 | 300,000 |
| Surplus▲ ............. | 584,780 | 544,762 |

‡Incl. $575 invest. previously shown in curr. assets.

| | | |
|---|---|---|
| *After depr. of .... | 720,926 | 692,589 |
| ▲Incl. refund. EPT.. | 36,960 | 34,960 |
| Working capital ..... | 546,570 | 596,405 |

## Snow Clearing Cost $100,000 in Manitoba

From Our Own Correspondent

WINNIPEG—Two February blizzards, each as severe as the West has had in 25 years, are likely to pile up the biggest bill the Manitoba highway branch has ever had in a season for clearing snow from its main trunk roads. Officials estimate it may reach a record $100,000.

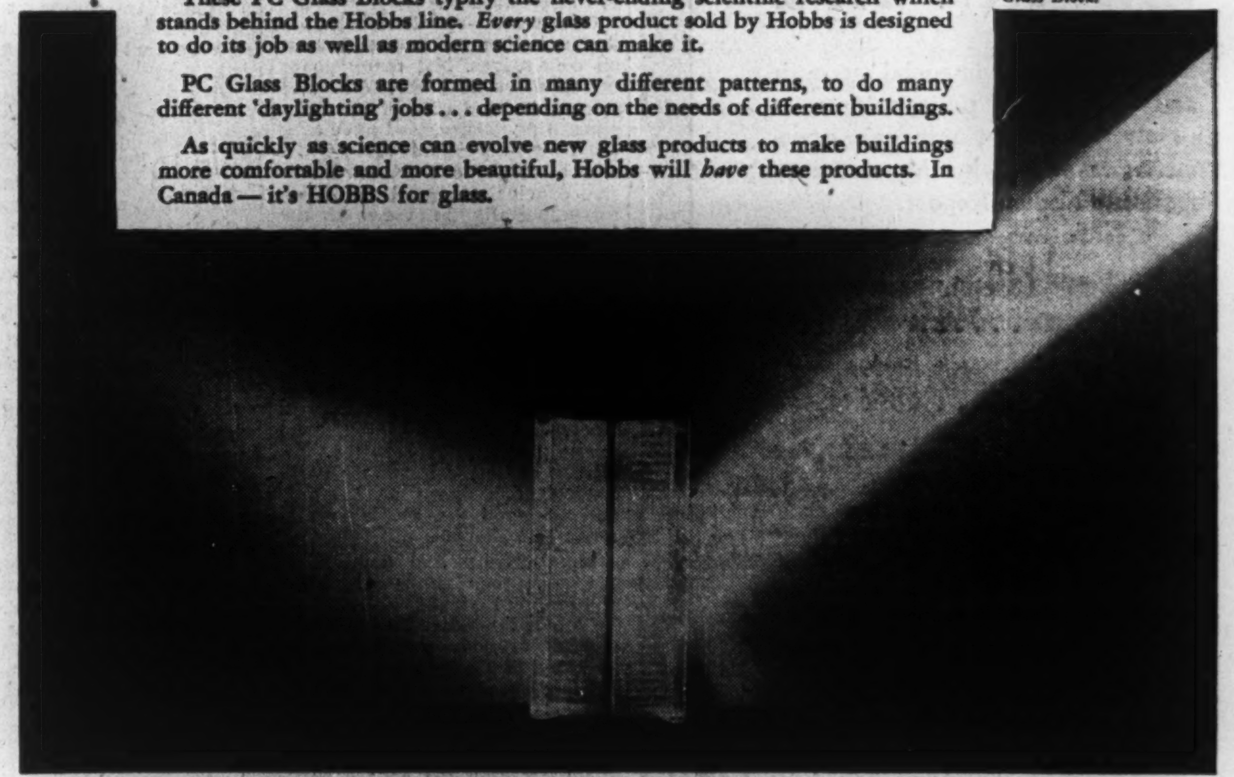
**We're bending light... FOR BETTER VISION!**

Whoever heard of *bending* light? Yet it's happened! Modern glass research has developed a *prismatic* glass block for outside wall areas. The prisms inside the block actually "bend" daylight upward as it comes in . . . so that the ceiling reflects soft, glareless light evenly through the room. And because the prisms are *inside* the block, they are clean forever!

These PC Glass Blocks typify the never-ending scientific research which stands behind the Hobbs line. *Every* glass product sold by Hobbs is designed to do its job as well as modern science can make it.

PC Glass Blocks are formed in many different patterns, to do many different 'daylighting' jobs . . . depending on the needs of different buildings.

As quickly as science can evolve new glass products to make buildings more comfortable and more beautiful, Hobbs will *have* these products. In Canada — it's HOBBS for glass.



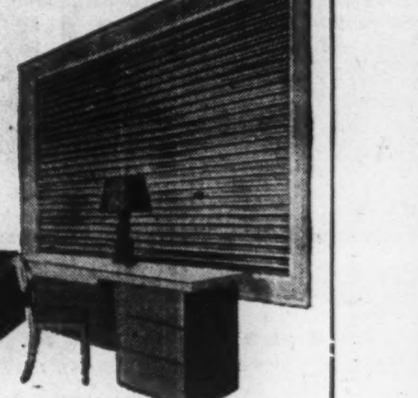
**Laboratory demonstration shows beam of light angled upward by PC Prism Light-Directing Glass Block.*

*Corrugated Glass makes strong, attractive partitions*

Partitions of Corrugated Glass are appearing everywhere . . . in business offices, hotels, hospitals, stores, homes . . . both semi-partitions and big sweeping wall areas!

Corrugated Glass is made to last—there is almost no breakage hazard. It is quickly, easily installed with a minimum of materials. Your architect can tell you how Corrugated Glass would fit into the job you have in mind. Check Hobbs for details. Consult our local branch, or write to Hobbs Glass Limited, Dept. L1, London, Canada, for descriptive folder.

Come to Hobbs for: Twindow insulating windowpanes • PC Glass Blocks • Coolite heat-absorbing glass • Herculite tempered glass • Nucite glass chalkboard • Safety glass • Plate glass • Mirrors • Carrara • Plexiglas



*Look to GLASS for better living—* HOBBS GLASS. PLASTICS *come to HOBBS for glass!*

IT'S HERE!.. THE NEW

**Underwood**

Underwood
Underwood

WITH RHYTHM TOUCH*

***Sensationally NEW . . . Radically DIFFERENT . . . EXCLUSIVE to Underwood!**

There was never a typewriter like this Underwood! There was never typing like Rhythm Touch! Light, fluid, speedy, quiet, the Rhythm-Touch Underwood means new ease for operators, more and better work for executives. It combines Rhythm Touch and a score of other post-war refinements with all the familiar features that have won Underwood a 7-out-of-10 preference across Canada. Delivery now on some models.

**Underwood Limited**

*Joseph L. Seitz, President*

HEAD OFFICE: 135 Victoria St., Toronto 1, Ont.
BRANCHES IN ALL CANADIAN CITIES

Underwood U L Limited

# Individual Enterprise Most Valued of Freedoms Says Head of Mutual Life of Canada

### Warns that Canadians must be on guard to protect the rights of the individual against bureaucratic, authoritarian, monopolistic or subversive influences.

### REPORTS A RECORD YEAR FOR MUTUAL LIFE

### Cites Life Insurance as valuable means for carrying out the lessons of thrift learned by wartime savings.

**Waterloo, Ont., Feb. 6th.**

Calling on Mutual Life policyholders to be a bulwark in the defense of personal freedom, Mr. Louis L. Lang, president of the Mutual Life Assurance Company of Canada, at the 77th Annual Meeting of Policyholders, stated that the ability of Life Insurance to continue to serve the Canadian people in the coming years depends upon the preservation of the rights of the individual to create property and to be protected in its ownership.

Amongst other highlights of 1946 progress, Mr. Lang reported a new peak in the amount of life insurance purchased from the Company by the Canadian public.

Mr. Lang's address follows:

### Canada's Opportunities

Many opportunities will present themselves during this, the second year of rehabilitation and reconstruction, which should lead to increased happiness, well-being, real security, more settled government and administration, full employment and occupation, increased production of all kinds of goods, expansion of services, reductions in prices of goods, lower taxes and to a more stable and normal economy. It remains to be seen whether these opportunities will be seized and utilized to the best advantage.

When hostilities ceased in 1945, there was, inevitably, military occupation of the battle areas by the armed forces of the victorious powers, and they, with civilian administrations, had to struggle with the tremendous task of maintaining some semblance of civil order, of endeavouring to prevent, or at least minimize, death and suffering from famine and plagues, of encouraging the production of food and other commodities and of restoring the normal trade channels which had been dislocated or lost during the six years of conflict. It is apparent that much progress has been made in the general objective.

Preliminary steps have been taken to establish a United Nations Organization and, although it appears to move slowly, the fact that it is in existence and has made some progress in the relatively short interval that has elapsed, is at least encouraging. Rehabilitation in many of the areas devastated by the war is steadily progressing. Although there has been much suffering, epidemics from starvation and disease have been avoided. Fertile lands which were ravaged are yielding harvests and the supply of food has been greatly increased, although it is still far from adequate. In the majority of countries, most of the people are occupied in some way and are helping to support themselves. International finance is linking up with national finance and real international trade is slowly but surely improving in volume and distribution. These facts are fundamental to any constructive thinking relating to Canadian affairs because there is no way in which we can separate our country from the far-reaching effects of world conditions and movements.

### Encouraging Recovery

In spite of the difficulties encountered and mistakes made, 1946 was a year of substantial and encouraging recovery throughout the civilized world.

There are some artificial and misleading semblances of improvement. One of these was the inflation of prices, which was not an indication of prosperity at all as it was caused by keen and often desperate bidding for needed articles which were scarce. There was a great increase in wage rates, which was deceptive because it was accompanied by a decrease in the purchasing power of money, due to the rise in the prices of commodities.

During last year, there were very serious errors of omission. There were great opportunities to increase production of all kinds. The whole world wanted food, building materials, fuel and manufactured goods of all kinds. Unfortunately, when need was so great and universal, production per man per day declined when it should have increased and, consequently, while much was achieved, world production fell far below its capacity, to the detriment of mankind wherever situated.

In 1946, Canada shared with other countries the same opportunities and was exposed to the same failures and disappointments. Nevertheless, it may be stated, not in a boastful way but with gratitude, that no country in the world has fared better in its readjustment from war to peace conditions; or has been subjected to less real hardship during the past year. There is no country of our size and population that faces brighter prospects in 1947 than does Canada if she determines to make use of the opportunities which lie on her doorstep.

### Vigilance Needed

During the present year, there are some things to which we, as citizens of Canada and as individuals engaged in our own occupations, should give careful thought and lend our support. It is essential that Canadians should realize that, for better or worse, a form of world government is being set up and, although it is functioning imperfectly and slowly, it is in action. We are already being affected by its policies and actions and we shall be more involved as its powers and activities increase. We have assumed our share of what has been done to set up and to operate the United Nations Organization. Is it not important that we should continue to take an intelligent interest in this body and to continue to do our part and to pay our share of the expense? We must also be vigilant in our own interests as other countries will be vigilant in theirs, to ensure that Canadian ideals, our way of life and our material welfare are safeguarded. There is no doubt that the decisions and the operations of the United Nations Organization and its numerous, powerful committees will have a marked effect upon our future as a nation and our economic well-being as a people.

There are a great many ideas and systems which are being advocated in these disturbed times and, on the whole, probably this is a good thing because it indicates an awareness of international and national problems which are very real, but we should avoid the danger of being confused and impeded by a multiplicity of new proposals, organization and procedure. After all, we have to do our daily work and, while we know that the most certain thing in the world is change and that we must be prepared to welcome and adapt ourselves to such changes as are expedient, we should also have due regard for the lessons of experience, tested and tried over many years.

### Critical Year Ahead

Canadians, in 1947 which will be a critical year, should take a keen and constructive interest in all that concerns the domestic welfare of their own country. The great majority of Canadians continue to believe that the political and economic systems, speaking in the broadest sense, embodied in the British Commonwealth and Empire and the constitution of the United States of America, are, in spite of their imperfections, the best which the progress of mankind has thus far produced, and most suited to the purposes and needs of the peoples of these two great national groups. They excel all others in providing and maintaining freedom, rights, safety and welfare for individual citizens. While their peoples constitute a minority of the whole world, they produce a very large proportion of the world's goods and services, and their influence toward social betterment has permeated all nations and has accelerated the progress of modern civilization.

Foremost among the freedoms cherished by the British and American peoples and to which can be attributed much of the exceptional progress achieved by mankind during the past century, is the freedom of individual enterprise. If we are to preserve this freedom, all of us must be constantly on guard to protect it against those who, maliciously or well-intentioned as the case may be, would destroy it, whether by bureaucratic authority, monopolistic control, or subversive influence. One cannot condemn too strongly those who exert their financial strength and genius to gain control of the supply of necessary commodities, thereby to benefit themselves and their associates at the expense of the public at large, yet it is just as reprehensive for any organization to manipulate the labour of human beings to the temporary advantage of a few, regardless of the curtailment of production at a time of great shortage, of the blighting effect on the national economy and of the hardships imposed, directly or indirectly, on the population generally. Whoever tampers with the principle of free competitive enterprise is working toward the destruction of man's inherent right to provide, through his efforts, a higher standard of living and life for himself and his family.

### Maintain High Standards

In our own country, in spite of all shortcomings, the records of governments, municipal, provincial and Dominion, have maintained a high standard relative to that of other countries. Generally speaking, our several governmental bodies are trying to do their best for the people they represent. Consequently, while they should at all times welcome sound and constructive criticism, they are entitled to consideration and assistance. During this year Canadians should cooperate with their governments in all efforts to continue full readjustment of thought, effort and resources to the needs of the future.

It is encouraging to note the increasing interest in the stores of raw materials which Canada has in such abundance and the activity in their utilization. Everything possible should be done to advance and extend policies of expanding, restoring, preserving and cropping our timber, minerals, productive lands and other resources so that they may be utilized to the greatest extent on a permanent basis.

Our greatest material opportunity in 1947 is to increase production of all kinds, and particularly industrial production. The output per man per day should increase. If it does increase, the economic and financial position, and, more important still, the social position of the people of Canada will be much better at the end of the year than it is now. One result of a vastly increased production should be lower prices as goods come into plentiful supply. A higher production, with the resultant increased purchasing power which always follows is certain to produce a social security much more satisfying and permanent than the various panaceas so glibly proposed from time to time.

### Need Further Saving

While it is encouraging to see some signs of practical economy in governmental expenditures, there is still much room for further saving. During the war, money had to be spent in immense sums because victory was essential to the survival of our people and no other consideration approached this in importance. Unfortunately, the habit of large and careless spending is persisting. Lower taxes are urgently needed (but how can governments reduce taxation if constantly urged to spend more money?) People do not realize the vast amount of hidden taxes, such as taxes on consumption, direct and indirect, which are in existence and which will continue to be necessary if the present scale of public spending is maintained. Too large a proportion of the earnings of our people is now being diverted into taxes rather than accumulating as savings to be put back into industry, business and agriculture, in order to increase production in these fields, which in turn will provide more employment and more goods and commodities for all Canadians and an increasing surplus for the peoples of the world.

Prophesies are limited in their accuracy whether they apply to the weather or to business. There are murmurs of a business depression of varying degrees of intensity during this year. One of the most effective ways to produce a depression is to talk about it and thus create apprehensions which may or may not be well founded. On the other hand, it is wise to watch for storm signals and, while maintaining a constructive and hopeful attitude, to take such precautions as may be available or possible to counteract unforeseen events.

One fact remains certain. There is still an enormous and growing demand for goods and services all over the world. In other countries and at home millions of people are waiting for food, clothing, building materials, machinery and other commodities. Germany, Japan and Italy are out of the international field, temporarily at least. The goods previously exported by these countries are still needed and Canada has the opportunity of competing for this trade with other countries.

### Need "Full Steam Ahead"

Canadians can make 1947 a record production year in industry, mining, lumbering, fishing and in agriculture. This will not be achieved if the slow-down and low production per man theory is followed. It will not be reached if there is a lack of wisdom, enterprise, understanding and resolution on the part of management. On the other hand, if the policy is full steam ahead, Canada may, if the international and domestic demand persists, create new records in production, which would ensure for Canadians a measure of national prosperity hitherto unknown.

In the uncertainties which confront us it is remarkable that, in common with life insurance companies generally, our Company's issue of new life insurance should have expanded to so large a total as $105,000,000. I believe several reasons for this increase in the sale of new insurance can be advanced. With a scarcity of the things used in daily living for which people normally spend most of their income, the high earnings of present days, despite high taxes, have given many people the means to buy insurance. That more people should be using a larger part of their income to buy life insurance is evidence of their desire for this form of security, and is a mark of confidence in life insurance companies generally; and since such purchases remove spending money from the market for consumers' goods and services, it relieves to this extent the pressure on prices and is accordingly a movement to be encouraged in the general interest of our economy. The money that goes into life insurance reserves is invested in securities and therefore does not enter into competition for these goods and services.

### Sales at New High

The volume of new sales in 1946, just mentioned, almost entirely Canadian, established a new high far exceeding any previous total. The efforts of the Government during the war years through War Savings and Victory Loans undoubtedly have engendered a greater appreciation of the benefits of systematic saving. This is exemplified in the splendid reception accorded the Dominion of Canada Savings Loan offered last fall. The advantage of systematic saving has been promoted continually by the life insurance industry. It is, however, a well-known fact that life insurance must be sold, and the outstanding accomplishment of the past year is a tribute to the aggressiveness and efficiency of our sales force who have taken full advantage of the combination of conditions to impress industriously upon individual Canadians the benefits of life insurance. With vigorous, well-trained salesmen—and I am satisfied that we have never possessed a better sales force—the outlook for new production is indeed encouraging. There is every indication that we can confidently expect to widen still further our sphere of service to Canadians.

MUTUAL LIFE PRESIDENT

**Louis L. Lang**

President of the Mutual Life of Canada, who addressed the 77th Annual Meeting of policyholders held at Waterloo, on Thursday February 6th.

While one can be sanguine with respect to sales prospects, other phases of the Company's operations, particularly in the investment field, are not without complex problems.

The safety of policyholders' funds has always been the cornerstone of the Company's investment policy. Coupled with this underlying requisite have been not only the endeavour to earn the highest rate of interest consistent with that objective, but also to direct our investments into channels which will be most beneficial to the national well-being. In pursuance of this policy, during the war years our resources were freely loaned to the Government through large purchases of each successive Victory Loan.

### Interest Return Lower

With the cessation of new financing by the Dominion, the bond market in the early part of the year was characterized by refunding issues of Municipalities and Corporations. As this financing represented only the replacement of a high-interest obligation by one yielding a lower rate, the net effect was that of contributing to a further lowering of the average net rate of interest on our total investment. Toward the latter part of the year these refundings were supplemented by securities issued for new money purposes by Provincial Governments, Municipalities and Corporations. This trend is continuing into the current year and should result in a greater diversification of securities being made available to investors, both institutional and private. While there may be some indication that interest rates on high-grade investments may not decrease further, unless there is a marked upward trend, further reductions in the Company's average interest rate may be expected.

The policy followed during the past seven years has resulted in the accumulation of the highest quality of investment available in our country. With our substantial backlog of Dominion Government bonds, about 60% of total assets, three times the proportion prior to the war, we are in a strong position to seek other channels for the investment of our funds from which we can reasonably expect to obtain an increased rate of return. In fact, it has become imperative to re-examine all available outlets for investment with a view to effecting the best possible combination of the three fundamental principles which I have mentioned.

In view of the serious housing situation which prevails throughout all parts of Canada, we have largely extended our facilities for the financing of new construction under the National Housing Act, and of both new and old housing through the usual Company channels. During the past year our field of operations has been expanded considerably and we have been of service to a large number of Canadians seeking to establish new homes. The chief difficulties in the provision of housing have not, however, been financial. Building costs have risen sharply and the trend is still upward, and combined with serious shortages of labour and materials, have caused a reluctance on the part of many to undertake building operations.

### Progress on Housing

Despite these obstacles, Housing Enterprises of Canada Limited, the co-operative company formed by the life insurance companies operating in Canada at the request of the Government, has already made substantial progress in providing much needed rental housing.

Our ability to continue, as an institution, to serve the people of Canada in the next seventy-seven years to the same or greater extent than we have in the past depends first upon the preservation of our national sovereignty and then upon the preservation of the rights of individuals to create property and to be protected in its ownership. That these will remain unimpaired I am firmly convinced and I know we can count on Mutual Life policyholders to be a major bulwark of strength in their defence.

We must strive to adjust the operations of our Company to the highest purposes of life, and in so doing we must depend upon the whole-hearted support and strength and understanding, not only of our great body of policyholders and their families, but the public as well. Only thus will we achieve a better social, as well as economic, standard of living.

We know that happiness has many roots, but none is more important than true security. To serve the individual and the public at large in its quest for security, your Directors stand responsible on the highest plane of trusteeship, and the accounting which they present from year to year in terms of benefits rendered and financial stability speaks eloquently of the high sense of stewardship which actuates those responsible for the success of our great co-operative institution.

## COMMENTS ON THE ANNUAL STATEMENT

by

**W. H. Somerville, C.B.E., Vice-President and General Manager, Mutual Life Assurance Company of Canada, February 6, 1947.**

Reviewing the Balance Sheet, which is before you, it will be observed that the Assets total $286,792,678.40, which is an increase for the year of $17,232,600.38. The disbursement in 1946 of the Special Dividend of $1,358,599.47 accounts for the increase in Total Assets being about $224,000 less than the increase of one year ago.

The Book Value of our Dominion of Canada Direct and Guaranteed Debentures, $169,681,137.57, is an increase of $16,875,738.58, and represents 59.2% of Total Assets. The Provincial and Municipal Bonds of $30,714,203.36 represent 10.7% of Total Assets, having decreased during the year by $4,601,497.42.

Public Utility and Other Bonds at $19,126,196.08 comprise 6.67% of Total Assets and increased during the year by $1,288,477.48.

Our Bond Account, which is made up of these three classes of bonds, totals $219,521,537.01, an increase of $13,562,718.64 over 1945 and comprises 76.5% of our Total Assets.

Sales, maturities and redemptions of bonds amounted to $30,993,563.80, and total purchases in the year were $46,229,321.54, the average yield rate on our new purchases being 2.80%.

Profits on the sale of securities of $2,502,804.04 were applied to reduce the book value of certain of our investments.

Mortgages and Sales Agreements at $32,332,117.99—11.2% of our Total Assets—are higher by $2,132,369.93, as against a decrease a year ago of $1,255,760.77, and consist of $24,123,504.16 on the security of city properties, $2,000,119.91 on farm properties, and $6,208,493.92 on homes built under the provisions of the National Housing Acts.

### Loans Decreasing

Our Loans to Policyholders on the security of their policies at $17,817,908.30—6.21% of Total Assets—decreased during the year by $437,509.90, and interest income on Policy Loans in 1946 was $106,785.41 less than in 1945. The total of such Loans has been progressively decreasing, although the reduction in 1946 was much less than in either of the two preceding years.

During the year Stocks were sold and bought to the extent of a book value of $1,743,687.32 and $2,564,942.32 respectively, the net result being a total book value of Preferred and Common Stocks of $7,503,386.60, which is 2.6% of Total Assets.

Real Estate at the close of 1946 consisted of 101 Farm accounts with an aggregate book value of $168,005 and 7 Urban accounts with a book value of $273,900, a total of $441,905 and .15% of Total Assets. This is about one-tenth of the Real Estate owned at the end of 1937.

Turning to Income as shown in the Combined Profit and Loss and Surplus Account, the aggregate of Premiums and Consideration for Annuities, $25,620,475.31, increased by $3,042,518.07.

Interest, Dividends and Rents of $10,536,262.68 is less than in 1945 by $80,074.80.

The Rate of Interest Earned in 1946 was 3.96%, a reduction of .31% from the 1945 Rate of 4.27%. The course of the Rate of Interest is indicated by rates of 4.78% in 1937, 4.61% in 1940, 4.56% in 1943 and 3.96% in 1946. As long as it continues necessary to invest the bulk of our funds in debentures bearing current rates of interest, the overall earning rate of the Company must continue to decline. The Rate of Interest earned on our Bond Account, calculated on the average book values, was 3.48% for 1946, compared to 3.63% for 1945, a decrease of .15% in 1946. The corresponding decrease a year ago was .27%, the rate in 1944 having been 3.90%.

### Expenses, Taxes Up

General Expenses and Taxes at $5,422,830.21 show an increase of $1,035,841.10 over those of 1945, compared to an increase of $229,630.07 a year ago. This large increase was occasioned by the exceptional increase in new business, Commissions to Agents having increased $537,148.44 and amounting to $2,357,843.93, representing 43.4% of Total Expenses. There is accordingly an increase in the Company's Expense to 14.44% which compares with 12.67% in 1945, 12.55% in 1943 and 13% in 1940.

One of the main factors contributing to ability to furnish insurance at low net cost is a favorable mortality. The actual incurred claims less the reserves held thereon for the purpose of meeting them were $2,732,581, which is more than $250,000 less than the corresponding strain experienced during 1945. This is an extremely favorable result in view of the greatly increased volume of insurance in force, and substantially offsets the additional expense incurred in issuing the unusually large volume of new insurance.

The associated diseases of the heart, blood vessels and kidneys continue to account for more than 50% of the face amount of insurance death claims paid. During the eight years from 1939 to 1946 inclusive, over 20 Million Dollars was paid in settlement of death claims from these causes alone. This represents 53% of the total civilian death claims paid during the eight-year period. The second most important cause of death is cancer, which accounted for 14% of civilian claims. Other causes of death accounted for much smaller percentages of the total—accidents being next at 4%, followed by tuberculosis and pneumonia at slightly over 2% each.

### Surplus Earnings Higher

The Surplus Earnings for 1946, $5,500,426.22, were $40,376.79 more than in 1945, and $183,750.58 greater than those of 1944. They cover the Regular Dividends Paid or Allotted to Policyholders of $3,909,511.76; permit an increase of $400,000 to $4,250,000 in the Provision for Dividends to Policyholders payable in 1947; provide for a $500,000 increase in the Specific Reserve for Fluctuation in Value of Investments to $2,500,000; and allow an increase of $832,314.99 in Unassigned Contingency Fund and General Investment Reserve to $15,915,473.71, being 5.55% of Total Assets. The corresponding ratio in 1945 was 5.60%, and in 1944, 5.47%.

The Balance Sheet Liability item of Policy Proceeds, Dividends and Other Amounts on Deposit with the Company, $42,162,148.92, is made up of Sums Assured on Deposit, $21,186,867.30; Dividends left to Accumulate, $17,127,932.36; Future Premiums Discounted, $3,267,864.77; and Other Amounts, $579,484.49. The increase in 1946 was $4,385,013.90, compared to an increase a year ago of $3,349,001.23.

Reference has been made to the large production of new business in 1946. A chart of the Ordinary Business paid for from the end of 1914 to the end of 1946 presents some interesting features. In 1913 the Company was selling new business at the rate of $14 Millions per year. During the First World War the rate of production advanced steadily to $21 Millions in 1918. During 1919 and 1920 the rate of production increased sharply and reached a peak of over $40 Millions—more than double the 1918 figure. In the years 1921 and 1922 production declined to about $35 Millions. There was then a steady rise to $60 Millions in 1929, but thereafter New Business declined for five years to about $38 Millions in 1934 and remained constant at about $40 Millions for the next six years, until 1940. During the Second World War production increased steadily to $60 Millions in 1944; and since its termination New Business has again increased very sharply, as it did after the First World War. Should the pattern of the chart be repeated in the future, a temporary decline in production might be indicated.

### Bulk in Ontario, Quebec

Of the Company's Ordinary Insurance in Force, over $400 Millions is in Ontario and $152 Millions in Quebec. This is 70% of the total in force. There is more than $10 Millions of insurance in force in thirty-one of the fifty-three Branch Offices. Thirty-six of our Branch Offices produced new business in excess of 1 Million Dollars of which the lowest production was $1,267,000 and the highest over $7 Millions. No agency of the Company has previously produced over $7 Millions of new business in a calendar year, and this record achievement for 1946 coincides with the regretted retirement of the Manager of the Agency concerned, namely Mr. J. M. Heale of Toronto.

In a mutual life insurance company, the benefits of successful operation accrue to policyholders, all Assets being held for their protection. The policyholders have contractual rights and claims against the Company in accordance with the terms of their policies.

Premiums for the different types of policies are scientifically calculated on the basis of expected rates of mortality, interest and expense; and to maintain equity between policyholders it is necessary that each policyholder pay for the benefits provided by his policy.

Dividends on life insurance policies are amounts which arise from savings which result when the cost of furnishing the life insurance protection is less than the premium paid by the policyholders. The difference between the premium paid and the dividends credited represents the net cost of the insurance benefits. If, in the future, the exact rate of mortality which would be experienced on the insured lives could be foretold, the exact rate of interest which would be earned on invested assets, and the exact expenses of carrying on the business, it would be possible to calculate exact premiums, in which case there would be no funds from which dividends could be paid. Such future experience being impossible to forecast, it is essential for a life insurance company,—being obliged to pay a certain benefit at some future time, to charge adequate premiums so that there can never be any doubt as to its ability to meet its obligations as they arise. If there are savings from favorable mortality and expense rates, but the net rate of interest earned on invested assets has been lower than used in premium and reserve calculations, the savings from mortality and expenses have to be used to offset the losses from interest earnings.

### Set 4% Interest Goal

On its establishment in 1870 our Company assumed that funds held by it to guarantee payment of the benefits provided in policies would earn interest at the rate of 4%. In the Report to the Policyholders at the Annual Meeting on April 12, 1882, it was stated that the basis by this Company to value its liability was "the highest standard made use of by any company in America." In 1884, the valuation basis for new and existing policies was changed to a newer mortality table with interest assumption at 4½%, and this change was explained as being made "so as to be uniform with other Canadian companies, but we adhere to the 'Actuaries Table' and 4% interest in determining our surrender values and surplus distribution."

The first record of Assets being invested was at the Fourth Annual Meeting, in January, 1874, when it was stated that $12,000 had been invested at 8% interest. The margin between valuation rate and earn-

(Continued on page 22)

# THE MUTUAL LIFE
## Assurance Company
## OF CANADA

*Established 1869*

HEAD OFFICE: WATERLOO, ONTARIO

# 77th ANNUAL STATEMENT

## Combined Profit and Loss and Surplus Account

(Including Group Accident and Sickness Branch)

### Revenue Basis

*Year ended December 31, 1946*

| | | | |
|---|---|---|---|
| Unassigned Contingency Fund at December 31, 1945 | | | $11,583,158.72 |
| **INCOME** | | | |
| Premiums for Assurances | $22,957,137.75 | | |
| Consideration for Annuities | 2,663,337.56 | | |
| Interest, Dividends and Rents (after provision for possible future losses) | 10,536,262.68 | | |
| Consideration for Settlement Annuities arising out of assurance policies | 1,013,827.42 | | |
| Policy Proceeds, Dividends and Other Amounts left with the Company | 6,663,511.95 | | |
| Net Profit on Sale of Ledger Assets, and Foreign Exchange (after applying $2,502,804.04 to reduce book value of securities to stabilize future interest yields) | 382,999.94 | $44,217,077.30 | |
| **EXPENDITURES** | | | |
| Death and Disability Claims | $ 6,254,936.15 | | |
| Matured Endowments and Surrender Values | 5,001,589.71 | | |
| Annuity Payments | 372,547.67 | | |
| Policy Proceeds, Dividends on Deposit and Other Amounts Withdrawn | 4,200,340.37 | | |
| General Expenses, covering the cost of Head Office and Branch Office administration, Commissions, Taxes and other expenses | 5,422,830.21 | | |
| Net Amount by which Ledger Assets were written down | 81,521.31 | | |
| | $21,333,765.42 | | |
| Increase in Policy and Staff Pension Reserves and Amounts on Deposit with the Company | 17,382,885.66 | $38,716,651.08 | |
| **SURPLUS EARNINGS FOR YEAR** | | | $ 5,500,426.22 |
| Decrease in Provision for Dividends payable in subsequent year (a special dividend having been paid in 1946) | | | 1,100,000.00 |
| | | | $18,183,584.94 |
| Increase in Specific Reserve for Fluctuation in Value of Investments | | | 500,000.00 |
| | | | $17,683,584.94 |
| **DIVIDENDS PAID OR ALLOTTED TO POLICYHOLDERS** | | | |
| Special | | $ 1,358,599.47 | |
| Regular | | 3,909,511.76 | 5,268,111.23 |
| Unassigned Contingency Fund at December 31, 1946 | | | $12,415,473.71 |

*Features of 1946 Progress*

| | |
|---|---|
| New Assurances Paid for in 1946 | $104,946,910 |
| Total Assurances in Force on December 31st, 1946 | $855,165,736 |
| Total Assets | $286,792,678 |
| Total Payments to Policyholders and Beneficiaries | $ 16,897,185 |
| Surplus Earned in 1946 | $ 5,500,426 |

LOUIS L. LANG,
*President*

W. H. SOMERVILLE, C.B.E.,
*Vice-President and General Manager*

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**GROUP SECURITIES, INC.**

43rd CONSECUTIVE DIVIDEND

The following dividends on the various classes of shares of Group Securities, Inc., have been declared payable February 28, 1947 to shareholders of record February 14, 1947.

|  | For First Quarter |  |  |
|---|---|---|---|
| Class | Regular* | Extra* | Total |
| Agricultural | .065 | .015 | .08 |
| Automobile | .065 | .015 | .08 |
| Aviation | .03 | — | .03 |
| Building | .08 | — | .08 |
| Chemical | .065 | .015 | .08 |
| Elec. Equip. | .09 | — | .09 |
| Food | .04 | .01 | .05 |
| Fully Admin. | .04 | .05 | .09 |
| General Bond | .09 | — | .09 |
| Indust'l Mach. | .02 | — | .02 |
| Institut'l Bond | .08 | — | .08 |
| Investing Co. | .10 | — | .10 |
| Low Priced | .055 | .015 | .07 |
| Merchandising | .13 | — | .13 |
| Mining | .05 | .01 | .06 |
| Petroleum | .01 | .05 | .06 |
| Railroad Bond | .035 | .005 | .04 |
| Railroad Equip. | .05 | — | .05 |
| Railroad Stock | .04 | .01 | .05 |
| Steel | .015 | .045 | .06 |
| Tobacco | .04 | — | .04 |
| Utilities | .015 | .035 | .05 |

*Regular dividends are from net investment income and extra dividends are from net realized profits.

*Construction Trends*

By CLIVE CHATTOE

# Howe Tosses Rental Housing Ball Back to 'Risk Capital' Enterprise

### — Offers Tax Help, Longer NHA Loans, Priorities
### — Will Back Insurance Spending on Land, Sewers
### — Wartime Housing Seen Ottawa's Ace in the Hole

Canadian real estate investors are offered new government inducements — tax concessions, easier repayment terms for National Housing Act money, supply priorities—to return in 1947 to construction of housing for rent. If enterprisers won't or can't do so in face of high building costs, Ottawa will take "other steps."

As well, Ottawa will back the big life insurance companies in buying suburban fringeland and constructing water mains, sewers and roads to open new planned neighborhoods for big-city builders.

These important new housing incentives were announced by Reconstruction Minister C. D. Howe in the Commons last week end.

In addition, the Government is now ready to consider municipal applications for Dominion grants under NHA "slum clearance" provisions to help defray costs of assembling land. One proviso is that the number of families in the area to be redeveloped must be very small. Another setback for public housers: Ottawa is "not willing at this point" to participate in rent-reduction funds contemplated by NHA Section 9.

No surprise to larger mortgage lenders is the promise of help for private enterprise building to rent. That the insurance companies were consulted earlier may be safely assumed. And more than a hint of the move had come weeks before in a Toronto speech by President David Mansur of Ottawa's Central Mortgage & Housing Corp. (Construction Trends, Jan. 11). Nor is the slum land invitation news to alert city councils watching recent progress of Toronto's Regent Park negotiations. Foreknowledge of the suburban land scheme, on the other hand, wasn't as widely shared beyond Capital Hill.

* * *

### Apartments Must Rent At Under $70 a Month

Here, in outline, are 1947 housing proposals unveiled to Parliament last Friday by Rt. Hon. the Minister of Reconstruction:

**Rental Housing**—(a) Will allow double depreciation (presumably 5% on brick and other masonry-wall buildings, 20% on stoves, refrigerators) in income tax returns by owners of new apartments and houses for rent at under $70 based on standard 4-room unit, if providing a minimum average two bedrooms per unit and veteran preference for occupancy; (b) longer period of amortization under NHA for loans on approved types; and (c) priorities for materials to assist in construction. NHA amendment to lengthen repayment period will come out before Commons soon. All these new aids applicable to any type of new rental housing approved by Central Mortgage, including those financed under NHA, ordinary mortgage procedure and full capital investment by owner.

**Land Development** — NHA amendment (No. 2) to allow life insurance companies to acquire and develop raw land on community fringes subject to Central Mortgage approval; funds so invested to be guaranteed by the Dominion against loss; income on such investments to be limited to low interest rates. Expressed hope is that in most cases builders would be co-operating to develop substantial suburban tracts. (Rejected are alternatives: (a) improvement loans by Ottawa to municipalities at low interest; (b) direct financing by Ottawa with builders.) The new measure is designed to help bridge the usual gap in credit available to builder or owner between raw land stage and completion of framing of house. As well, "more attractive neighborhoods can be developed if planned areas of land are serviced (sewers, water mains, etc.) at one time."

**In-city Redevelopment** — "Now willing to consider" assistance under NHA to municipal "reconversion of inside land" provided number of families resident in area treated is "very small." General policy continues of refusing to sanction demolitions, abstaining from participation in rent reduction funds enabling setting of lower than economic monthly rate to tenant.

* * *

### Better 'Wartime' Houses If Scheme Doesn't Click?

"The time is coming, and perhaps in 1947," Mr. Howe predicted, "when more residential units for sale will be produced than can be absorbed by prospective home owners" (at today's prices). He reported little more than 15,000 new rental units completed in 1946 against three times as many new owner-houses, though "there is as great a need for rental housing as there is for homes." (Many of the estimated 300,000 solvent but confirmed renting families now living with mothers-in-law, or in otherwise crowded or unsuitable quarters, will call that an understatement.)

Will the new stimulant work? "It will, or else," the Government says in effect. Mr. Howe: "We believe the proposed new steps will substantially increase the supply of new rental housing. If not, other steps must be taken." (More Wartime Housing, and of higher standard?) "We cannot allow continuation of the proportionately low level of new rental housing construction.

"I am convinced that current retail fixations by WPTB are high enough to permit economic rentals to be charged. We know of very few cases—and no recent cases—of fixations making it impossible for builders to proceed with new rental housing units."

Here are other new Howe pronouncements on Canadian housing:

**Target 1947** (calendar year), 80,000 "completions." Modifiers might be (a) impact of nonresidential construction, and (b) ability of Canadians to absorb new housing at the present high level of building costs. The 1946 calendar year target of 60,000 completions attained.

**"Carryover"**—Estimated 40,280 housing units under construction (many in advanced stages) but incomplete at Dec. 31, 1946. Most to be occupied before mid-year, so, to realize 80,000 completions in 1947, builders must start another 40,000 in the weeks immediately ahead.

**Materials Output** — "Further steps to boost some items still below minimum need" along lines of Canadian Construction Association proposals implemented in part in 1946. Production in 1947 "considerably greater" than 1946, as output then exceeded 1945's.

* * *

### Push 'Integrated' Houses Cost 10% Less — Howe

**Materials Salvage**—"Important" quantity reclaimed from Armed Services buildings demolished; distributed under housing priority rating. Pushing program to completion.

**Wartime Housing** (rental)—"We will continue to accept municipal applications for houses which we can expect to complete in 1947." Completions in 1947 "may equal" 1946's 6,812, with at least 3,000 additional starts.

**Housing Enterprises** (rental-building joint operation of life insurance companies under NHA 50-year, 90% federal loan provision)—Under construction at Dec. 31, 3,300 houses and apartments, while land was being assembled for 4,500 more. Government expectation, 5,000 completions by next Christmas against "a few" in 1946.

**Emergency Shelter** (rental; Ottawa assists municipalities and universities to obtain buildings, finance alterations)—Need less pressing. Peak next October likely below 1946. But, at year end, 1,010 more units were under negotiation, 1,013 under "construction." Completions in 1946 numbered 5,090.

**"Integrated" Housing** (sale; builders agree to price control, profit limit, veteran preference, in return for government sales guarantee, supply priorities)—"Average sale price about 10% below other forms speculative building." Will continue to promote. "I believe we can exceed 1946 commitments" (they totalled 3,294 houses). At year end, 1,293 for 1947 construction were under signed agreements, 1,435 under construction, 566 occupied.

**NHA Loan Total** (sale and rental)—$60 millions 1946; $24 millions 1945.

**Veterans' Land Act** "Small Holdings" (sale) — No mention; Hon. Ian Mackenzie's responsibility as Veterans' Affairs Minister.

**Orchids to Industry**—"By far the greater proportion of new housing in Canada is being produced by the construction industry without direct or indirect participation by government. In large measure the real success attained in meeting our 1946 target can be attributed to the skill, energy and ingenuity of management and labor in the construction industry and industries supplying building materials."

---

# Industrial Growth in Canada

## New Plant Expansion Projects to Increase Production and Employment in Industry

### Kimberly-Clark Corp.

Longlac Pulp & Paper, Terrace, Ont., and Toronto, subsidiary of Kimberly-Clark Corp., President Col. G. Parker, Neenah, Wis., starts superstructure construction at Terrace (130 miles east of Port Arthur) of 300 tons a day bleached kraft pulp mill. New plant reportedly to cost $23 millions equipped. Consulting engineers, Stadler, Hurter & Co.; contractor, Fraser-Brace Ltd.; construction of townsite, Ontario Construction Co. Mill foundation and 70 houses were built last year; several hundred more houses, church, school, hospital, police-fire station, public library to follow in annual stages.

* * *

### CGE

Canadian General Electric, President H. M. Turner, Toronto, expands its plant decentralization and expansion program, with start of construction of Cobourg, Ont., molded plastics plant, 70,000 sq. ft., architects Beck & Eadie, contractor A. W. Robertson Ltd. About 250 will be employed with full production; all but experienced key men recruited in Cobourg area. Preliminary foundation work under way.

New fluorescent lamp plant under construction at Oakville, Ont., is due for summer completion; will employ about 100 initially; architects Beck & Eadie, contractor Carter Construction. Barrie, Ont., small appliances plant—completed year ago, 120 workers—was first decentralization unit.

CGE last year bought 35-acre vacant site on CNR mainline at London, Ont.; is reported planning plant buildings covering about 20% of that area, mainly for refrigerator manufacture now divided between Peterborough and Toronto. Unconfirmed local information is that employment at London may be well over 500. As well, CGE recently built or is building warehouses at Hamilton, Ont., Saskatoon, Victoria.

* * *

### Stelchrome

Stelchrome Co., Winnipeg, J. W. M. and E. E. Carver, proprietors, completes small new plant to make and show chrome-plated metal furniture, fixtures, display equipment, curtain cranes, lunch counter stools; one story, 5,000 sq. ft., steel, reinforced concrete, brick; about 30 employees.

* * *

### Noranda Copper

Noranda Mines, President James Y. Murdoch, K.C., Toronto, and Bridgeport Brass, President Herman W. Steinkraus, Bridgeport, Conn., organize Noranda Copper & Brass Ltd. Will engage somewhere around 400 workers, make complete line of commercial copper and brass mill products in former Canada Strip Mill plant, Montreal East. Noranda Mines bought the plant from War Assets Corp.; took possession Jan. 1; already has a skeleton organization installed and is in partial operation. Equipped to make brass strip for munitions, the plant now undergoes lengthy and extensive re-equipment. Location advantages include: Close to copper supply and at head of tidewater navigation—on adjacent sites are two other Noranda subsidiaries, Canadian Copper Refineries and Canada Wire & Cable. Advantages to Canada include: Opens a second major source of copper and brass mill products to Canadian building, manufacturing users (the other, Anaconda, New Toronto); will enable export of substantial tonnage of Canadian copper and zinc as semi-finished products rather than raw material.

Noranda Copper & Brass management directed by Bridgeport's President Steinkraus, as president of new company; plant operation directed by Bridgeport's Operations Vice-president M. W. Batchelor; sales by Bridgeport's Sales Vice-president A. R. Zender. Noranda Mines has financial control; Bridgeport Brass a substantial minority interest Board Chairman Murdoch announces.

* * *

### Sun Oil

Sun Oil President J. Howard Pew, Philadelphia, late last week issued a statement confirming Canadian Sun Oil's agreement to buy a plant site on the St. Clair river near Sarnia, Ont. (Industrial Growth, Feb. 8). Neither confirmed nor denied were widely published local reports that (a) Canadian Kellogg Construction, New York and Toronto, is designing and will build a $20-million refinery on the property; (b) new plant will supply refuse oil to Dow Chemical's expanding Sarnia plant; (c) site purchased from Dominion Alloy, Canada. Reported locally also was that construction might begin next month. But Mr. Pew says: "No plans have become final for immediate development of this acreage."

* * *

### Baribeau

Baribeau & Son, Levis, Que., build for summer completion small (3,200 sq. ft.) new plant to engage 25 workers making ironing boards, stepladders, other domestic and industrial woodware. Roland Thibault has charge of the new operation.

Lampard, Francis and Company
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*CONSULTANT*

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*A Leading Canadian Trust Company Reports Another Progressive Year of Business Increase - Lower Profit*

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Austin C. Taylor, C.B.E.

Forty-Seventh Annual Report
*for the year ended 31 December, 1946*

|  |  |  |
|---|---|---|
| EARNINGS *From fees and investments* | *(Up $295,000)* | $3,452,000 |
| EXPENSES | *(Up 352,000)* | 2,718,000 |
| PROFIT *Before taxes* | *(Down 57,000)* | 734,000 |
| TAXES | *(Up 1,000)* | 294,000 |
| NET PROFIT | *(Down 58,000)* | 440,000 |
| DIVIDENDS | *(Unchanged)* | 380,000 |

CAPITAL, RESERVES AND SURPLUS
$8,163,000

ASSETS UNDER ADMINISTRATION
$901,000,000

*Excerpts from Addresses at Annual Meeting, 11 February 1947*

PRESIDENT

Canada is in many respects in an enviable position. Much real progress has been made in recovering from the dislocations and setbacks of war. Yet it cannot be denied that there is widespread anxiety that the economic initiative of the country is not being given the scope and the encouragement that would enable it to make plain its true power.

There seems to be a tendency to believe that profits represent an excess over need, and that this excess the state may properly appropriate. But this type of thought and practice depletes the whole dynamic of a free economic system. It is not merely a hindrance, nor an annoyance, nor only a discouragement. It is impoverishing the very soil which must yield the new business of the years to come.

There are signs that people and Government alike may be returning to the realization of the fundamental economic truth that whatever regulations may be found desirable in the public interest, the most natural and the most fruitful role of Government comes from what it may be able to do to reduce all that restricts and discourages, and to assist all that may release the immeasurable potentialities that lie in free individual effort and responsibility.

GENERAL MANAGER

The continued downward trend of interest rates is our greatest cause for concern in the investment of moneys entrusted to our care, and the problems which it presents are ever before us. For many investors who have no earning power, the situation is acute, and in some cases even desperate. They are truly the victims of circumstance and deserve more than passing sympathy.

Our particular charges are widows, orphans and other beneficiaries dependent upon the life savings of their former providers, and they are caught hopelessly and helplessly between high income taxes and substantially lower income returns. We would urge once more that the whole position of these dependent investors be given sympathetic consideration by the Government.

Our Company has played a leading role in providing the people of Canada with dependable trust service, as the growth of our business shows. Our record of progress is, I think, impressive, and, with trust companies solidly established in Canada and having proved beyond question their importance and benefit to the community, we can look forward with confidence to continued expansion of our business.

THE ROYAL TRUST COMPANY
CORPORATE SECURITY · PERSONAL SERVICE

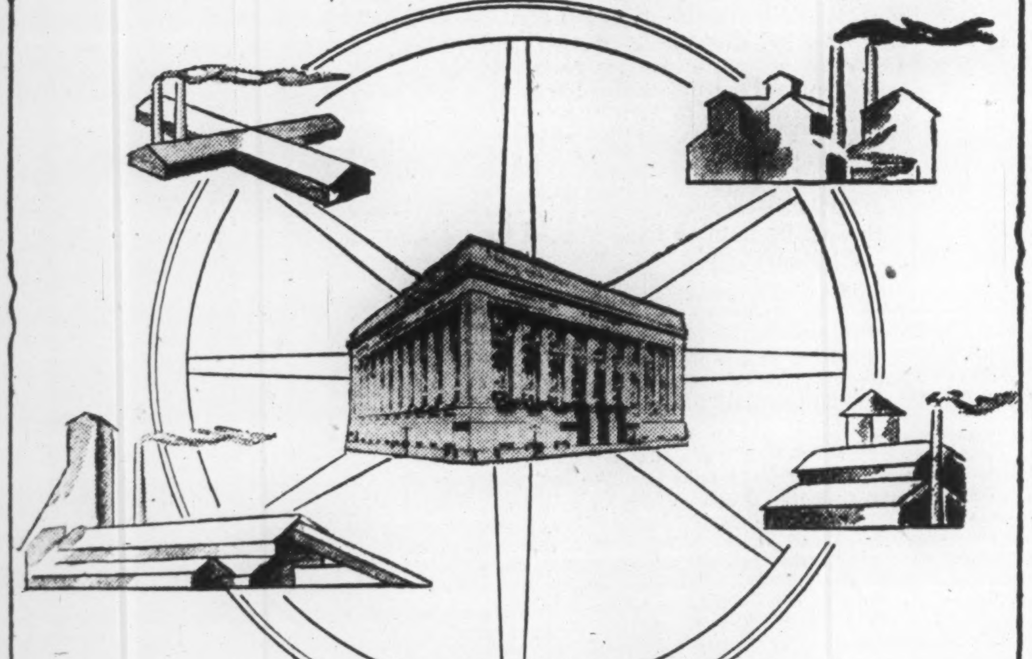
OFFICES ACROSS CANADA FROM COAST TO COAST

*Halifax* *Quebec* *Ottawa* *Hamilton* *Calgary* *Vancouver*
*Saint John* *Montreal* *Toronto* *Winnipeg* *Edmonton* *Victoria*

*St. John's, Newfoundland* *London, England*

LOANS...

*to grease the wheels of industry*



THE wheels of industry turn in pursuit of a common objective—the production of better goods and services at lower cost.

Frequently the power that keeps the wheels of industry turning is the power of credit to do for individuals and corporations what they may be unable to do unaided.

For more than 90 years, The Bank of Toronto has helped countless Canadians make a reality of their plans to produce better goods and services. Through adequate credit they have been able to lower production costs and build the foundation of their subsequent growth and expansion.

It may be that you, too, have plans which need only the initial impetus of adequate credit to put them into effective operation. If so, bring your plans and credit needs to us and let's talk them over.

THE BANK OF TORONTO
*Incorporated 1855*

D. S. VANSTONE, General Manager

1D-47

**SAVE AND BUDGET**

Peace of mind depends largely on planning what you can save and saving what you plan. That's "budgeting." Open a Canada Permanent savings account. Regular deposits should be part of your plan. 2% paid on savings. Withdrawals by cheque.

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Still
MARCHING AHEAD!

- NEW BUSINESS . . . . $17,663,998
  (Increase over 1945—$6,074,892—52%)
- GAIN IN FORCE . . . . $13,912,500
  (Increase over 1945—$5,022,822—56%)
- ASSETS . . . . . . . . $17,867,657
  (Increase over 1945—$1,452,857)
- UNALLOTTED SURPLUS . . $ 451,149
  (Increase over 1945—$51,116)
- LOWER MORTALITY
- LOWER EXPENSE RATE

**Northern Life**
Assurance Company of Canada

R. G. IVEY, K.C., President
G. W. GEDDES, General Manager
Established 1897
Home Office: London, Canada
147

# British Banks Reopen Offices In Far East, Closed During War

*Although Canadian chartered banks operate their own branches in other countries, including the United Kingdom, France, the United States, the British West Indies and Latin America, they have none in the Far East. There they depend largely on banking correspondents. The following article tells how British banks with offices in the Far East closed during the war have reopened their branches and are again doing business. Names of the banks mentioned are familiar to Canadian bankers.*

British banks in the Far East have reopened their various offices with amazing speed since World War II. The Hong Kong, Shanghai, Tientsin, Siam, Indochina, Burma, Malaya and Philippines offices of the largest banking concern, The Hong Kong and Shanghai Banking Corporation (with a capital of £20 million), are once more in operation. Toward the middle of 1946 the head office was retransferred from London to Hong Kong where the main building suffered only slight damage during the war and where the banking documents were found to be intact. The Hankow building, however, was heavily damaged by air bombardment and several other branches cannot yet be reopened owing to shortage of staff. As a result of the Communist resistance, North China and Manchuria are still theatres of war so that the Chefoo, Dairen, Mukden and Harbin branches remain closed. The resumption of banking in Japan is not yet permitted. Of the 41 pre-war offices of the bank in the Far East, 25 have been reopened.

### Functioning Normally

Most of the branch offices of the Chartered Bank of India, Australia and China are working again and the Rangoon (Burma) branch is functioning normally. In Malaya, all nine agencies and branches stretching from Singapore in the south to Penang and Alor Star in the north, as stated by V. A. Grantham, chairman, are "already exceedingly busy coping with the revival of trade between Malaya and the rest of the world and with the business and enquiries of newly returned clients." The bank has three branches in the Philippines—Manila, Iliolo and Cebu—all of which are operating and contributing in large measure toward the speedy recovery of the country. The Chinese branches at Shanghai and Tientsin have been reopened as well as those in Saigon (Indochina) and Kuching on the island of Sarawak (Borneo). Even in Java (Batavia), where the political situation is still unsettled, the bank has resumed business. Preparations are being made for the revival of trade in Medan (Sumatra) and Bangkok (Siam).

The Eastern Bank Ltd., which is largely engaged in India and the Middle East is now back in Malaya. The Singapore branch was taken out of Japanese hands without much trouble as the Compradore and the chief clerk remained with the bank during the occupation and safeguarded the company's interests. The Mercantile Bank of India Ltd., which is represented throughout the Far East, has reopened its main branches with the exception of the Siam office.

That British banks have been able to make their way back to the Far East so rapidly is largely due to their long experience and popularity. They had developed with the economic life of Eastern Asia and they cannot be disassociated from the economic setup of the Far East.

### Good Illustration

Even the Japanese did not dare to do away with the British banking system at one fell swoop, as they were well aware that such an action would paralyze economy in Eastern Asia. In Hong Kong the Japanese went as far as to issue bank notes in the name of the Hong Kong and Shanghai Banking Corporation. During the war the British Government naturally took steps to warn the people of Hong Kong against accepting this counterfeit currency, and the Military Governor, on the liberation of Hong Kong, proclaimed the nonrecognition of this currency as legal tender. In the meantime, Hong Kong's economic life had become so accustomed to the currency that the British Government and the bank ultimately recognized this currency as legal tender. The intimate connection between Far Eastern economy and the British banking system could scarcely be better illustrated.

The British overseas banking system is longer established and more widespread than any other in the world. According to the latest, reliable statistics quoted by A. S. J. Baster in his book "The International Banks" (1935), in 1932 there were 73 British, 23 French, 19 American and five German branches of banks in the Far East. According to the same source there was only one British international bank in 1850, and this had three branches in the Far East. By 1933 there were 32 British international banks with 73 Far Eastern branches, as already stated.

# Wage Rates Moving Up

## *Average Hourly Earnings Two Cents Above Wartime Peak, 8% Higher Than Last Year*

OTTAWA—Canada's yardstick of hourly wage rates has moved into record high ground. Latest compilation from the Dominion Bureau of Statistics shows that 740,000 Canadian wage earners averaged as at Nov. 1 an hourly rate of 72.7 cents. This is more than two cents above the previous wartime record. It is 8% greater than the corresponding figure of November, 1945.

In November alone, the average moved ahead by nearly 1½ points. Chief gains during the month were recorded by steel, forgings, glass, beverage, coal and musical instrument workers. As well, workers in almost 50 individual trades or industries showed fractionally higher average earning rates during the month.

Compared with a year ago, wage rates for nondurable manufacturing industries (382,000 workers) are up by approximately 10%. In the durable goods field (335,600 workers) the gain in 12 months is 7.2%. Increases of more than 10% in wage rates over the 12-month period were as follows:

| | |
|---|---|
| Pulp and paper ...... | up 17.5% |
| Silk and artificial silk . | up 14.4% |
| Agricultural implements .............. | up 14% |
| Lumbering .......... | up 13.6% |
| Glass manufacturing . | up 13% |
| Needle trades, cotton and woollen yarns .. | up 13% |
| Beverage mfg. plants . | up 12.7% |
| Hosiery and knit goods | up 12% |
| Basic steel .......... | up 11.3% |

On the basis of official DBS statistics, The Financial Post has compiled the following table to show comparative wage rates in various industries as at Nov. 1, 1946, with comparative figures for a month ago and a year ago.

| | Average Hourly Earnings | | | No. of Wage-earners Reported |
|---|---|---|---|---|
| | Nov. 1, 1946 | Nov. 1, 1945 | Oct. 1, 1946 | |
| **(1) ALL MANUFACTURING:** | 72.7 | 67.5 | 71.4 | 737,742 |
| **(a) Durable Goods:** | 79.2 | 74.8 | 77.8 | 355,600 |
| Electric apparatus | 73.4 | 70.3 | 73.1 | 28,783 |
| Basic steel | 87.0 | 78.2 | 83.6 | 23,077 |
| Machinery | 77.7 | 72.1 | 75.9 | 20,323 |
| Agricultural implements | 85.3 | 74.6 | 84.2 | 11,719 |
| R. R. rolling stock | 88.1 | 86.5 | 88.4 | 34,502 |
| Autos and parts | 92.5 | 85.0 | 90.5 | 29,983 |
| Planes and parts | 88.3 | 86.6 | 87.3 | 9,727 |
| Steel shipbuilding, repairs | 86.0 | 87.0 | 84.5 | 20,324 |
| Rolled, forging prod. | 85.5 | 77.0 | 81.4 | 30,850 |
| Hardware, tools, cutlery | 72.8 | 69.8 | 70.9 | 11,212 |
| Foundry, machine shops | 81.4 | 76.8 | 80.1 | 7,755 |
| Sheet metal work | 72.9 | 67.7 | 72.0 | 11,588 |
| Nonferrous ores | 88.9 | 80.0 | 89.2 | 9,251 |
| Aluminum | 79.8 | 74.2 | 77.3 | 8,144 |
| Nonferrous manufacturing | 72.6 | 70.6 | 70.6 | 10,650 |
| Petroleum and products | 95.1 | 86.4 | 95.4 | 6,468 |
| Glass products | 71.4 | 62.1 | 66.4 | 4,389 |
| Stone products | 75.8 | 70.5 | 76.3 | 6,343 |
| Musical instruments | 60.7 | 55.3 | 58.7 | 799 |
| Rough and dressed lumber | 71.8 | 63.2 | 70.8 | 33,004 |
| Containers | 65.9 | 58.4 | 64.7 | 7,622 |
| Furniture | 64.7 | 58.8 | 64.1 | 12,732 |
| **(b) Nondurables:** | 66.7 | 60.6 | 65.7 | 382,142 |
| **Foods:** | | | | |
| Meat packing | 72.3 | 68.0 | 72.2 | 19,678 |
| Flour milling | 69.9 | 63.4 | 68.8 | 6,697 |
| Bread, bakery products | 57.4 | 53.0 | 57.2 | 12,248 |
| Beverages | 74.4 | 66.0 | 71.6 | 11,963 |
| Canning, preserving | 56.1 | 51.7 | 55.9 | 16,242 |
| Dairy products | 62.6 | 59.0 | 62.3 | 5,792 |
| Chocolate and cocoa | 52.6 | 48.7 | 52.5 | 5,727 |
| **Clothing and Textiles:** | | | | |
| Boots, shoes | 55.4 | 50.5 | 54.9 | 14,560 |
| Hosiery and knit goods | 53.8 | 48.1 | 53.2 | 20,242 |
| Garments, personal furn. | 61.0 | 55.1 | 60.0 | 36,294 |
| Needle trades | 56.4 | 49.8 | 55.4 | 48,322 |
| Cotton yarn and cloth | 55.6 | 49.8 | 54.8 | 19,696 |
| Woollen yarn and cloth | 56.3 | 49.8 | 55.7 | 12,716 |
| Silk and artificial silk | 57.6 | 50.4 | 55.6 | 11,959 |
| **Pulp and Paper:** | | | | |
| Pulp, paper plants | 84.4 | 71.8 | 84.9 | 39,621 |
| Paper products | 62.1 | 56.2 | 61.6 | 15,798 |
| Printing, publishing | 81.9 | 75.8 | 81.3 | 22,686 |
| **Other Mfrs.:** | | | | |
| Rubber products | 75.3 | 71.7 | 72.1 | 13,909 |
| Tobacco | 57.9 | 52.7 | 56.3 | 7,806 |
| Drugs, medicines | 62.3 | 56.4 | 58.2 | 5,382 |
| Chemicals | 71.7 | 67.9 | 70.4 | 25,811 |
| **(2) MINING:** | | | | |
| Coal | 98.7 | 94.0 | 95.7 | 23,712 |
| Metallic ores | 89.4 | 84.9 | 89.2 | 29,174 |
| Nonmetallic minerals | 70.9 | 64.4 | 70.5 | 10,567 |
| **3) CONSTRUCTION:** | | | | |
| Building | 85.7 | 81.7 | 85.3 | 62,206 |
| Highways | 67.2 | 63.4 | 65.8 | 39,435 |
| **) STREET & ELECTRICAL RYS.:** | 77.0 | 70.4 | 76.8 | 29,697 |
| **SERVICES:** | | | | |
| Hotels, restaurants | 47.3 | 41.6 | 47.5 | 19,619 |
| Laundries | 50.4 | 48.7 | 49.8 | 10,652 |

NEW ISSUE

$1,500,000

**Canada Electric Company, Limited**

**3½% First Mortgage Sinking Fund Bonds, Series "A", due 1967**

To be dated February 1, 1947, and to mature February 1, 1967. Principal, premium and semi-annual interest (February 1 and August 1) payable in lawful money of Canada at the principal offices of the Company's bankers in Halifax, Montreal, Toronto, Charlottetown, Saint John, Quebec, Ottawa, Hamilton, Winnipeg, Calgary and Vancouver, Canada, and St. John's, Nfld. Coupon bonds, denominations $1,000 and $500, registrable as to principal only. Redeemable as a whole or in part at the option of the Company at any time on 30 days' notice at the following premiums: (a) except for Sinking Fund: at a premium of 4% if redeemed on or before January 31, 1948, the premium thereafter decreasing 1/5 of 1% each year or fraction of a year until maturity; (b) for Sinking Fund: at a premium of 2% up to and including January 31, 1948, the premium thereafter decreasing 1/10 of 1% each year or fraction of a year until maturity; in each case with accrued interest to the date fixed for redemption. Trustee: The Eastern Trust Company, Halifax, N.S.

In the opinion of counsel these bonds will be investments in which companies registered under The Canadian and British Insurance Companies Act, 1932, of the Dominion of Canada, as amended, may invest their funds.

CAPITALIZATION
(Giving effect to proposed financing)

| | Authorized | To be Oustanding |
|---|---|---|
| First Mortgage Bonds ........................ | $3,000,000 | $1,500,000* |
| Preferred Stock, par value $100 per share.............. | 500,000 | ....... |
| Common Stock, par value $100 per share.............. | 1,000,000 | 900,000 |

*3½% Series "A", due 1967.

We offer these bonds as principals for delivery if, as and when issued and received by us and subject to prior sale and the approval of counsel of all proceedings.

**Price: 101 and accrued interest**

It is expected that Trustee's Interim Certificates will be available for delivery on or about February 27, 1947.

*A copy of the offering circular will be furnished on request.*

**ROYAL SECURITIES CORPORATION LIMITED**

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**ALGER GOLD MINES** advises that Jan. 31 installment on 200,000 shares at 40 cents and each subsequent installment, has been extended so that balance becomes exercisable as follows: 100,000 shares at 40 cents by Feb. 15; 100,000 shares at 40 cents by June 1; 100,000 shares at 55 cents by Aug. 15; 100,000 shares at 55 cents by Oct. 15 and 199,994 shares by Apr. 15, 1948.

**RICHMAC GOLD MINES (1936)** has received payment covering 100,000 shares at 30 cents, part of Feb. 1 installment. Balance of February installment of 100,000 shares has been converted into a firm commitment payable by May 1 and balance of agreement extended, exercisable 100,000 shares at 40 cents by Dec. 1; 200,000 shares at 50 cents by Mar. 1, 1948, and 200,000 shares at 60 cents by July 1. Dulama Gold Mines has assigned all its interests in the above option to Glencairn Securities Ltd. Issued capital is 2,830,005 shares.

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# Saskatchewan CCF Honeymoon Over Might Swing to Liberals Next Year

By GORDON L. SMITH

REGINA (Staff)—In the kind of weather Saskatchewan has been experiencing this winter, you won't find many people willing to discuss politics on street corners. But inside, they are still interested; though 35 degrees below zero, and a howling blizzard, limit the number of interviews. However, here's a digest of opinion from more than a score of people who get around: farmers, newspapermen, business executives, salesmen and a politician or two:

If there is a provincial election this year, the CCF Government would be re-elected but possibly with a reduced majority. If there is no election until next year, the normal time limit, the Liberals under their new leader W. A. Tucker may get in; or at least, will greatly add to their present small number of seats.

Dyed-in-the-wool CCF-ers and a few others will pooh-pooh any decline in popularity for the Douglas Government; but they seem to be in a minority, especially in the large farm areas and the cities. Many people think that Douglas has lost ground among the farmers, and very definitely among professional and business classes. They say he would have lost more had he not been so lucky, in coming into power just when Saskatchewan was entering a period of its greatest prosperity; in having almost an unbroken series of good crops and in making an excellent provincial deal with Ottawa.

**Not Enough Unrest?**

Farmers and others have been so prosperous since 1944 when the CCF came into power, that higher and irksome provincial taxes, and radical labor legislation, have not aroused normal resentment. In fact, conditions are so good just now that I hear the Government is afraid there will not be a sufficient popular kick to back the case it is preparing against the proposed freight rates increase.

Under such circumstances, one would expect Premier Douglas to hold an election this year, while everything is rosy and the opposition divided and weak. He will do so, I am assured, if he can find a good excuse, something to raise a fuss about. But he must have it fairly soon, because June is the traditional "election month" in this province. Then farmers are enjoying a breathing spell and what is much more important they are always optimistic about the crop. If the rains fall that month and next and they get a crop, then an election could be held in the fall; but that might be taking quite a chance. Right now Premier Douglas and Ottawa are pretty good pals; but there is some expectation that recent farm security legislation passed by the province may be ruled ultra vires. If it is, that may be considered excuse enough to call an election this year.

**Old Party Names a Jinx?**

Of the opposition, most people think that Liberal Leader Tucker has done a good job, but he has been handicapped by the worst winter weather since 1906. Some say that neither of the old parties could hope to win an election in Saskatchewan or any other prairie province; that their names are too closely and painfully associated with the great depression. They think that only a coalition could win.

Others, however, think Tucker is well advised to try it alone and also to try to dissociate himself from the old Gardiner machine. Such strategy, they point out will not prevent some co-operation at the constituency level. It is quite possible, for instance, that a two-seat riding like Regina, only one Liberal and one Conservative will be nominated; or in another constituency where one of the old parties was particularly strong, that party will be the sole contender against the CCF.

While there may not be as much kicking as expected about provincial taxes, there is certainly plenty in farm areas about income tax. Three years ago the Saskatchewan farmer regarded Mr. Ilsley as a hero. Today he and Donald Gordon are their national villains. Ilsley, they say, had been taking away the money they needed and wanted to repair the losses of the '30's, to build new homes and barns, to buy new farms and possibly trips to California. As for the other gentleman, he never was popular with them. He has been blamed all along for keeping their prices down and is now reaping fresh abuse for not holding down the prices of the things they have to buy.

**Farmers Against Union Demands**

How this feeling will weigh in a provincial election is hard to say. It is more personal toward Messrs. Ilsley (and his successor Mr. Abbott) and Gordon than the Liberal party; and it would difficult for the CCF, wedded to price control and high income taxes, to make political capital out of it.

But there is another wave of indignation that will certainly work against the CCF. This is the feeling against union high wage demands. Even the farmer who admits he voted CCF last time, gets worked up.

"I'm in favor of collective bargaining and all that," he will say, "but I believe in a fair day's work; and these fellows aren't working. It costs us twice as much to build an elevator or a barn, and the reason is not higher wages, but twice as many manhours."

Many of these farmers were perfectly willing to see wages go up in industry, and prices go up in the city, until the labor and goods they had to buy, started to cost more.

The CCF Government here has been careful to exclude all direct farm labor from its so-called beneficial labor legislation, but in a province where 90% of the wealth comes from farming, agriculture is bound to be affected. Farmers are dealing and rubbing shoulders with organized labor in elevators, in the Government factories and offices, and in their own large co-operatives. They have first-hand experience with some of the effects and costs of this CCF legislation; and that experience is likely to be reflected at the polls.

## Agnew-Surpass Sales Rise 9%

Sales of Agnew-Surpass Shoe Stores for the six months ended Nov. 30, 1946, were up approximately 9% from the corresponding 1945 period. Net profit amounted to $2.10 a share on the 100,736 common shares outstanding.

The company is carrying out gradual expansion of its retail distribution. Operations are still restricted by shortages of material, etc., and are still subject to price control.

Dividends of 90c. a share were paid during the six-month period. A further dividend of 50c. a share has been declared, payable March 1.

**HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO** primary power loads for December, 1946, showed an increase of 7.3% or 175,000 h.p. over December, 1945. Total primary and secondary load increase for the same period was 1.6% or 41,000 h.p.

As in previous months, power demands in southern Ontario considerably exceeded available resources. In interpreting the following tabulation, it must be borne in mind that owing to a deficiency in power resources, certain loads have been severely curtailed in this area. A comparison of actual power demands in southen Ontario would show a much greater increase than indicated by these figures:

Maximum 20-Minute Peak H.P.

| Primary Loads: | Dec., 1946 | Dec., 1945 | Incr. % |
|---|---|---|---|
| South. Ont. ... | 2,204,609 | 2,079,382 | +6.0 |
| Thunder Bay .. | 139,008 | 127,078 | +9.4 |
| Nor. Ont. Prop. | 242,637 | 204,345 | +18.7 |
| Total ......... | 2,586,254 | 2,410,805 | +7.3 |
| **Primary and Secondary Loads:** | | | |
| South. Ont. ... | 2,211,579 | 2,185,012 | +1.2 |
| Thunder Bay .. | 152,413 | 140,483 | +8.5 |
| Nor. Ont. Prop. | 294,272 | 291,517 | +0.9 |
| Total ......... | 2,658,264 | 2,617,012 | +1.6 |

**HERMAN W. STEINKRAUS**

**has been appointed president of Noranda Copper and Brass, which will operate the Canada Strip Mills plant at Montreal East.**

## Standard Oil Has Expansion Plan For West

From Our Own Correspondent

VANCOUVER—Standard Oil Co. of British Columbia is planning to enlarge its plant capacity here to meet increased demand, it is announced by Ralph Gwin Follis, San Francisco, president of the Standard Oil Co., California.

"Demand for oil products is increasing, and sooner or later we are going to have to build up to it," he said. "We are anxious to develop with the community."

Standard has a big program of exploration and drilling in Alberta this year. Wells will be sunk chiefly in the southeastern section of the province.

The oil executive wasn't sure about any advance in oil prices.

"Price of California crude has been held down despite a nationwide increase," he said. "Everyone is doing what he can to stop the inflationary spiral; but whether it will continue until it is reflected in crude oil prices, we don't know."

# Saskatchewan Rectifying 'Feast or Famine' in Fur

### Moves to Save Beaver, Muskrat Herds From Extinction, and Trappers From Loss of Livelihood — Ottawa Aids Conservation Project

From Our Own Correspondent

REGINA — Embarking on a planned fur economy, Saskatchewan has launched a campaign to prevent extinction of its staple fur-bearing animals, beaver and muskrat.

The conservation and development program extends from Goldfields, near the boundary of the Northwest Territories, to Estevan near the United States boundary.

Crown lands north of Latitude 53—a line running east and west across the province roughly from Prince Albert—have been formed into 65 conservation blocs. In all parts south of this area, the south Saskatchewan muskrat share trapping program is in effect. Under both programs, trapping is now on a strict quota basis, with a definite percentage being left for propagation purposes.

**End "Feast or Famine"**

In the past, during open seasons trappers went into the fur areas and trapped everything available, usually leaving little or no breeding stock. This "feast and famine" policy had a disastrous effect not only on fur resources, but also on the livelihood of thousands of trappers in the North. Moreover, few trappers had exclusive rights in certain areas. Often they would begin trapping in a district which they considered to be their own, only to find that someone else had already cleaned it out. In the past few years this situation was becoming steadily worse, and more and more trappers were going on relief.

South Saskatchewan's muskrat share trapping program went into effect in the spring of 1946. Under it, individuals are given exclusive rights to trap on definite land locations. Owners or occupants were given first rights on their own land; if they do not trap it themselves, or give written permission to someone else, the area becomes automatically closed. Indians and Metis are given special consideration on Crown lands.

Quotas of muskrat to be taken are established by house counts and an estimation of five live rats per house. A trapper is given permission to take a quota on the basis of three animals per house, leaving two for propagation purposes. As a result, the Government expects a bumper fur crop throughout southern Saskatchewan next spring.

When muskrat pelts are taken from locations where no government funds have been spent, 10% will be deducted and settlement made on an individual basis. No royalties will be collected. On developed projects, where patrols are maintained and trapping is supervised, the Government's share will be 20%. Part of the money collected on this scheme, like that collected from the northern program, is used for development purposes. At Cumberland House, several hundred additional acres will be flooded this year, as a breeding ground for muskrats. The Resources Dept. also plans to continue transplanting live beaver to areas where water levels need to be raised.

Last summer an agreement was concluded between the Provincial and the Dominion Governments, setting up all Crown lands north of latitude 53 as a conservation bloc, and thus putting the trapping of beaver and muskrat in all parts of the province on a planned basis. This large area north of latitude 53 was in turn divided into 20 conservation areas, comprising community trapping grounds adjacent to the various settlements.

The two governments agreed to spend up to $50,000 a year for 10 years, the Dominion contributing 60%, since about 60% of the population in the area is Indian. The money is being used to set up conservation areas, transplant live beaver, pay the salaries of the personnel, build dams, and purchase equipment.

Establishment of the conservation areas was left to the trappers. They elect councils in each district, consisting of five members, with Indians, whites and Metis having equal rights and fair representation. In co-operation with natural resources field officers, the councils provide a large degree of self-government in the trapping affairs of the area. When a conservation area is set up, the resident trappers are given exclusive trapping rights, thus preventing wholesale poaching.

## Vegetable Oil Plant Starts at Saskatoon

From Our Own Correspondent

SASKATOON — The Saskatchewan Co-op Producers vegetable oil plant went into operation here at full schedule last week.

The plant, another new industry for northern Saskatchewan and a boon to flax producers, is to process 40,000 bushels of flax each month to produce 84,000 gallons of raw linseed oil and 700 tons of cake meal. Hitherto it was necessary to ship flax out of the province for processing, and to have it sent back as a finished product.

**TOOKE BROS LTD.** has received payment covering 675 common shares under option to an employee of the company at $32 a share. Issued capital is 30,000 common shares.

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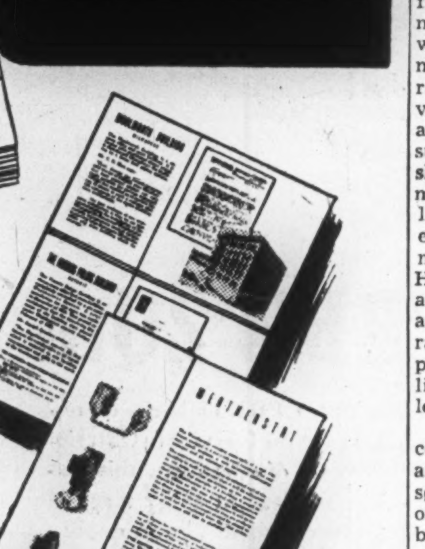

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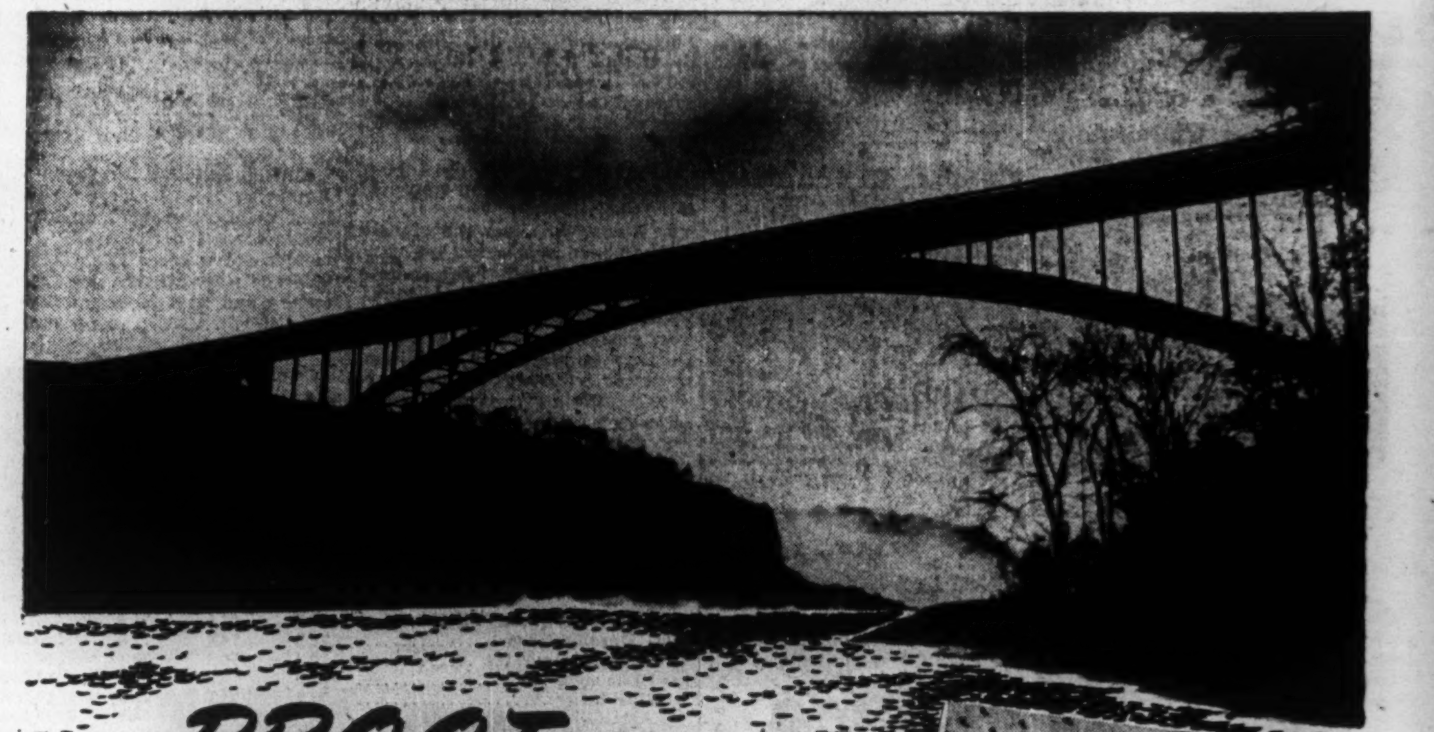

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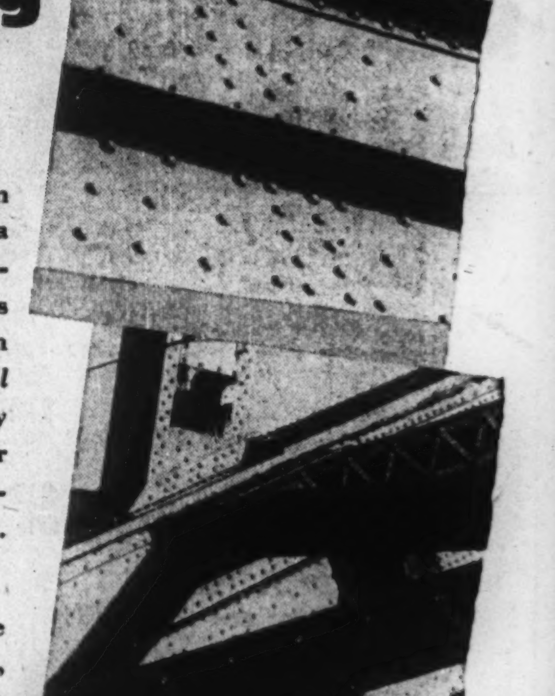

Unretouched photographs show perfect condition of paint on Rainbow Bridge

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# The Financial Post

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# Chatham: City of the Year?

## 20 New Industries in One Year Basis Of City's Claim to Limelight

By RONALD WILLIAMS

What the urgent but temporary needs of war did in bringing about industrial expansion in scores of Canadian cities, the equally urgent but permanent needs of peace, augmented by civic getup and private enterprise, are doing for the southern Ontario city of Chatham.

Industrially, this community of 20,000 which is on the same latitude as Nice, France and the northern boundary of California, was one of the forgotten cities of the war; not one war plant went up; not a single wartime house was built.

Today Chatham has, or is about to have, 13 brand new plants; 33 new industries. Over 300 houses have been, or are being built. Today Chatham is perhaps the fastest up-and-coming industrial area in Canada; certainly in Ontario. Its claim to the title, "City of the Year" won't be seriously challenged.

In the last 24 months the city's industrial and private building program has gone ahead like a house on fire. Here's the picture in capsule form:

33 new industries since 1945 (13 in .45; 20 in '46).

Estimated investment in plant and machinery, $10 millions.

351 building permits issued in 1946; value, nearly $4 millions.

1,200 new telephones installed.

Bank clearings up $13.5 millions over '45 to all-time high of $59.9 millions.

Assessment up $1.5 millions to $15.4 millions.

Employment up nearly 800 to 5,426 over '45.

Population increase 3,000 since 1937; 5,000 more expected by 1948.

City limits pushed back one mile. Cost: $1 million.

50 applications on hand for business sites on the main street.

At one time last year, Chatham ranked 7th among all Canadian cities in building permits issued.

### Here's Why

This sort of rapid development just doesn't happen by itself in times of peace. When 30 new industries come to an area in two years after years of inaction, there's a good practical, dollars-and-cents reason.

Briefly, Chatham's reasons and attractions are:

1. **Geography:** 490 miles south of Vancouver; surrounded on three sides by water making for moderate year-round climate; farmers can often begin plowing late in January.
2. **Transportation:** four railways, eight trucking lines, water navigation; three major highways.
3. **Fuel:** industrial coal on siding, $8.15 a ton, lowest of 10 western Ontario cities; natural gas, 500,000 cu. ft. costs $335.85; in Toronto the same amount of manufactured gas costs $406.16.
4. **Labor:** rate for women, 27-45c. an hour; men, unskilled, 40-50; semiskilled, 50-60; skilled 75-90.
5. **Agriculture:** richest farm land in Ontario; diversified crops; highest farm mechanization of any county in Canada.
6. **Industrial sites:** available now but going fast.

But like the attributes of Lana Turner, a city's attractions have to be attractively presented. For years Chatham's industrial attractions had been garbed in sackcloth. Chatham's young men were forced to seek employment elsewhere.

Then came the war. Twelve hundred of the city's finest men joined up. From the standpoint of manpower, Chatham knew there was a war on. Industrially, she continued on a peacetime basis, neither gaining nor losing. It was this industrial stagnation that started business and civic leaders thinking.

What, they asked themselves, has Chatham got to offer its returning veterans? Most of them got the same answer—"not much." Some of them decided to do something about it—the city's youthful lawyer-mayor, Ralph Steele; Stewart Douglas, president of the Board of Trade, Ald. Garnet Newkirk and others. The city council got behind the idea.

They were determined that those of the 1,200 who would come back would have a greater opportunity than they had when they went away. They felt Chatham had the figure to lure in new industry if only it was attractively presented.

### Meet Bill Gray

The man they picked to make up the city's industrial face was William M. Gray, a retired businessman who wanted to stay that way because his health was poor. But his gratitude for what the 1,200 had done for him and Canada stifled his concern for his health. He accepted the job as industrial commissioner.

Bill Gray is Chatham's super salesman. Backed by civic and business leaders, buttressed by unqualified co-operation, Gray has worked a small business miracle. He disclaims any credit for the transformation but those who are close to the development contradict him.

Gray insists the spectacular success is due to a reawakened civic consciousness and unstinting co-operation not only on the part of those directly involved but also on the part of private citizens. He tells with pride stories of how suggestions from Chatham-conscious citizens resulted in new industries coming to the city.

His favorite is about a city fireman who was sitting outside the firehall when a car with an Illinois license stopped. The driver appeared to be at a loss. The fireman walked over to see if he could help. The American was looking for hotel accommodation. One thing led to another. Out of it came the fact that the American was thinking of manufacturing a new type, nonstickable castor he had designed.

As the visitor drove away, the fireman suddenly remembered Gray and the Industrial Bureau. It was too late to get the visitor's name so he took his license number. With it, Gray traced the man to Chicago. That was six months ago. Today, the visitor's goose-neck castor is being made in Chatham.

Another case of citizen-co-operation involves Ticket Agent Cecil Syme. He overheard a man who was waiting for a train, talking about starting a plant. He got his name, called the Industrial Bureau. Four weeks later, that man had decided to invest his $15,000 in Chatham.

A retired druggist, Bill Turner, had a notion that a Chicago man he knew was considering opening a branch in Canada. Gray got in touch with the man, much to the latter's surprise. He couldn't understand how any Canadian industrial commissioner could have known he was thinking of expanding into Canada. Because of Chatham's initiative in getting to him first, he's thinking of establishing there within a year.

### He Knows Chatham

Gray knows Chatham like the back of his hand—present, past and future. His enthusiasm is infectious. Spend one day with him as The Financial Post did recently and you get the urge to move in yourself. First he'll take you on a whirlwind Cook's tour. As he wheels his car through the city, he pours facts, figures and scraps of historical background into your ears.

Per capita sales, he'll tell you, are higher in Chatham than in any other city in Canada. Business people are almost at each other's throats to get a spot on the main street. At least 50 applications are on hand.

Driving through the city's small colored section, he'll point to a clapboard Baptist church. In this building in 1775, John Brown, who was the inspiration for the song "John Brown's Body," wrote what he vainly hoped would be the new constitution of the United States.

### Chatham's Industries

Here are the new industries obtained by the Industrial Bureau for Chatham in 1945-46, and their approximate investment:

Advance Steel Products ($200,000; using converted building).
Canada Bread ($30,000; converted building).
Canadian Moulding ($30,000; renting).
Chatham Foundry ($100,000; converted building).
H. V. Cowie Co. (specialty garments; $25,000; renting).
Donaldson Co., Canada (automotive air cleaners; $25,000; renting).
International Harvester (trucks; $2.5 millions; new building).
McAleer Mfg. (polishes, etc.; $8,000; renting).
Albert Moor (stampings; $10,000; new building).
W. E. Reid (seeds; $150,000; new building).
Wm. Rennie Seed ($150,000; new building).
Waffle's Electric (electrical appliances; $11,000; converted building).
Oulds Metal Cast Products ($6,000; converted building).
Canada Packers (feed, fertilizer; $100,000; to be built).
Kent Foundry (custom castings; $30,000; new building).
Kraft Foods (cheese, dressings; $50,000; new building).
White Hybrid Corn Products (corn, soybean, processing; $250,000; new building).
Lister Beverages ($15,000; new building).
Paramount Plastics ($10,000; renting).
Central Block Mfg. (concrete products ($75,000; building two thirds new).
Chatham Erecting ($50,000; renting).
Hawkeye Products (auto accessories; $15,000; renting).
Standard Brands (food processing; $750,000; new building).
Watson Block (cement, cinder blocks; $25,000; new building).
Western Ontario Packing Co. ($65,000; new building).
Speedway Petroleum ($40,000; new building).
Al's Boat Works ($8,000; renting).
Consumer Glass ($3 millions; new building).
J. L. Leatherbest Products ($3,000; renting).
Maynard Composition Productions (tile; $2,000; renting).

At one time the city's negro population was high but today it has dwindled almost to the vanishing point. In the days of slavery, the city was the eastern terminal of the mythical underground slave railway.

The city is divided roughly into three sections, north, south and "over the creek." People of Chatham and Kent county pronounce it "crick" like the Americans—an indication of the marked influence which the United States has on their lives and habits.

There is a saying in Kent county that when you leave London and enter the Chatham area, you leave Canada behind and enter territory that is essentially British but which has strong bonds linking it to the United States. One influencing factor is radio. Coverage is almost entirely United States. Toronto stations are difficult to get.

When families decide to go on a shopping trip they head for Detroit; seldom Toronto. The U. S. influence is also apparent in Chatham's gleaming, colorful store front and general store layout. Chatham likes to think it has an international air.

This leaning toward things American is due mainly to the geographical position of the area in relation to the United States. Draw a line across a map and you find Chatham is 460 miles south of Vancouver and but 40 miles north of the northern boundary of California.

This is the Dominion's "Banana Belt," a wedge of Canada projecting into the United States that is south of, or as south as 19 of the states of the Union. This partially explains Chatham's "Americanism" and her moderate climate.

Often, when the rest of Canada is blanketed with snow, Chatham is clear. Outdoor skating rinks are a losing proposition; the weather doesn't stay cold long enough. During a recent inspection, construction workers were wallowing in mud up to their ankles while the rest of Ontario was frozen solid.

Like London and the Thames River which runs through southwestern Ontario, Chatham too was named after a British centre. In 1795, Governor Simcoe found the juncture of the Thames River, then called Eskuniseeppi, an Indian word meaning "Branching Antlers" and McGregor's Creek, an established trading centre. He was looking for a place to build a navy yard, decided this was it. He ordered Abram Iredel to survey the site for a town. As it was to be a naval shipyard, he named it after the great naval yard on the Thames in England.

### City with Growing Pains

First a trading post, then a village which grew into a town, Chatham is now a city with growing pains. South toward Lake Erie, 12 miles away, is Chatham's first mass housing project—149 houses being built by Housing Enterprises. Previously all houses were "custom" built. This is apparent in the pleasing variety of design. Chatham has no exclusive, high-priced residential section with palatial homes but on the other hand there are no rows of boxy, look-alike houses which are the depressing mark of most cities.

Beyond the housing project is the site of the proposed $400,000 community centre and park. During the war, this was where the Army's No. 12 Basic Training centre was located. The former drill hall is now Chatham's community hall. Later there will be an indoor swimming pool and ice skating rink, a football field; baseball diamonds.

Further south is the municipal golf course, one of the few within the limits of a Canadian city. A mile beyond is the new municipal airport, leased to RCAF veterans. Its use at present is limited to private flying and training but back of the city's mind is the hope that it can be developed into the Canadian terminus of a Cleveland-Chatham airline. As the crow flies, Cleveland is only 52 miles away; by road, 300-odd miles.

To the west is the parts division of Chrysler Corp., presently employing 400. This will be up to 600 in the near future. The manager is Arthur Richards whose friends on both railways keep him posted on important people passing through. He tips off Gray who organizes unexpected welcoming parties to go down to the train and say hello.

For a top executive of the CPR en route to Montreal, they added the musical accompaniment of a brass band. The president was so surprised and flattered that he still talks about it. That's what astute Bill Gray hoped he'd do. As a result of these impromptu hand shaking session, Chatham is being talked about all across Canada.

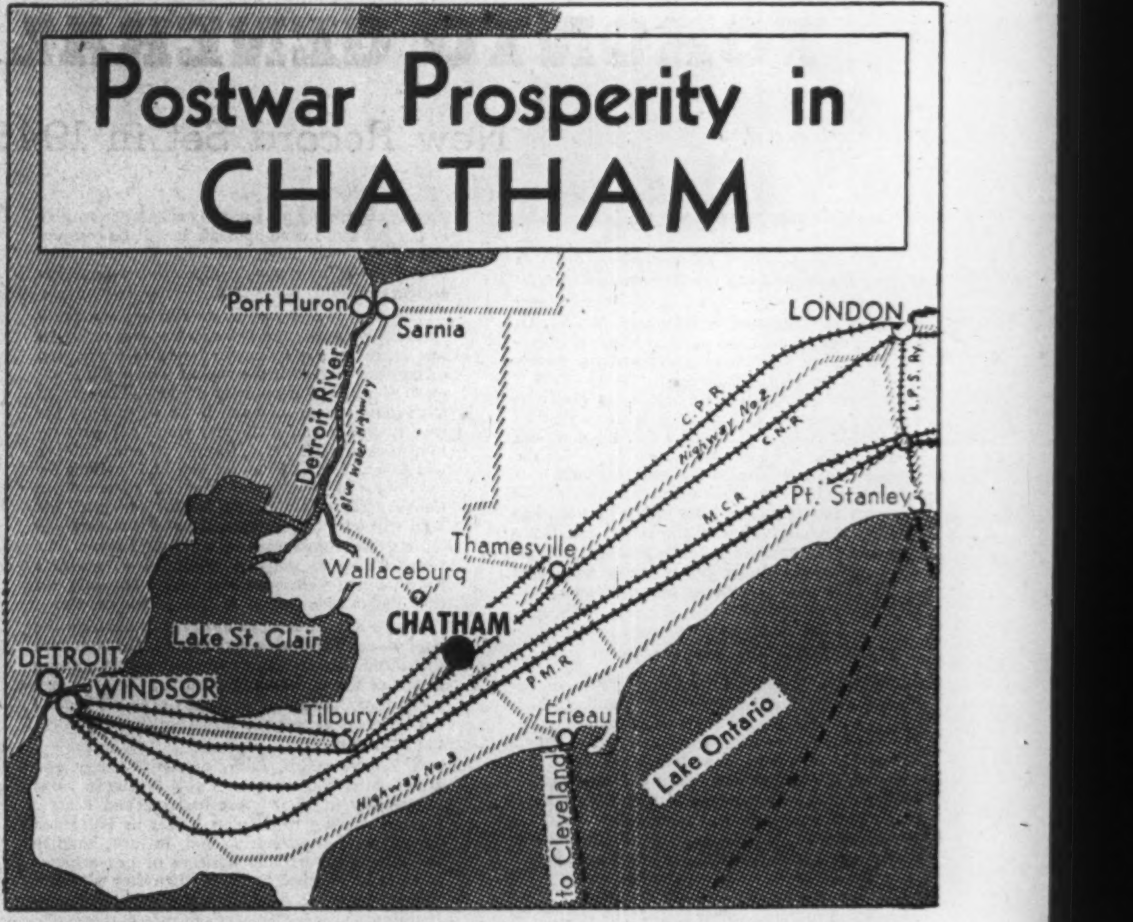
The next call was on William Delaney, president of Chatham Foundry. He's one of the newcomers. You say, "How are things going?" "Good, but they're going to be a lot better," he answers. He was talked into leaving a good job as foreman of a furnace plant in London to start the new Chatham enterprise.

A concrete block-making plant started by two brothers, both naval veterans, is one of the new ventures of which the city is justifiably proud. It likes to see $3 million plants going up but the $30,000 Watson Block Co., and six other relatively small veteran-operated plants are the ones which really stir its pride.

The plant is on the eastern limits of the new industrial area. Nearby is the starting point of four miles of lead track laid by the CNR and paid for by the city to serve the new area. There will be no interswitching costs for transfer of cars to any of the three railways which will service the site.

Spurs branch off to all the current building locations. The day The Post was there, the first steel of the new $750,000 Standard Brands plant went up. By midsummer it will be operating and employing 300. Adjoining, footings of the $2.5 million International Harvester plant are already in. To the west is the new $250,000 elevator and corn processing plant of the White Hybrid Corn Products. Adjoining it, preliminary work is under way on the $3 million Consumers Glass plant.

Backed by the CNR, fronted by the CPR, the new area is bisected by the King's Highway, No. 2. Seventy miles west is Windsor. Chatham has spent close to $1 million in capital expenditures for sewers and other installations to make the area attractive. No one is suggesting that the money wasn't well spent.



**Four railways, three major highways and access to lake navigation on north and south are some of the factors that make Chatham a strategic business centre. These, plus the city's own dynamic enthusiasm are the products Industrial Commissioner Bill Gray has sold successfully to 33 new industries since 1945.**

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# Looking for a Hotel Room?

## You Can Get One on 24 Hours' Notice In Some Cities Now — 7 Days' in Most

Canada's hotelmen have good news for the travelling public this year. Except for Toronto and Montreal, where wartime congestion is unabated, most hotels in most Canadian cities are now prepared to handle guests on shorter notice than has been the case for nearly seven years.

A coast-to-coast survey of the hotel situation shows that a week's notice will obtain a room in first-class hotels almost everywhere, while many cities now report that reservations can be filled in as little as 24 hours. In Toronto and Montreal, however, visitors still have to let hotels know of their plans at least two weeks ahead to be sure of a room when they arrive.

Helpful hotelmen, however, dropped a hint that may be helpful to those who must visit Toronto or Montreal on shorter notice than that. In Toronto, Thursday and Friday are the best days to go looking for accommodation. Businessmen are beginning to check out for home then, and your chances of getting a room are about twice as good as on any other day. Montreal hoteliers plug for Friday and Sunday.

All hotels report a distinct change in the type of patronage they are now receiving. Uniforms, once the predominant motif in a busy hotel lobby, are notably absent from the scene. Commercial travellers, businessmen and government delegations of one kind or another make up the bulk of the trade today, and some managers note a trend to family groups on week-end visits.

General speaking, the traveller can be sure of better service and more courtesies than he got during the war. Help is easier to find now, and many hotels have restored their depleted staffs to normal proportions. Employees themselves are more co-operative than they were in their wartime heyday, managers assert, and a number of services that had to be suspended during the rush are now being resumed.

Summing up, here are reports from seven major cities:

**Vancouver:** Reservations available on 24 to 48 hours' notice—even on the day of arrival sometimes. By summer, however, it is expected that all hotels will be crowded to capacity again. When Pacific passenger ship service is resumed, Vancouver expects to see the colorful, cosmopolitan crowds that featured pre-war years.

**Edmonton:** Accommodation easier to get, but 7 to 10 days' notice needed to be sure of a room in first-class hotel. New hotels are being planned but shortage of labor and materials will delay their construction.

**Regina:** The leading hotel now makes reservations on a 48-hour basis. Another hotel requires one day's notice and the rest can usually accept guests on the day of their arrival. Guests are staying longer, are older, on the average, and there is less partying than during the war.

**Toronto:** Reservations must be made two weeks in advance, as a rule. Guests are staying longer and more family groups are visiting over week ends.

**Montreal:** Two weeks' notice required. Service is better in top-ranking hotels, as staff problem eases. Some hotels have a seven-day limit for visitors, but this is not rigidly enforced.

**Fredericton:** Reservations required about a week in advance. Increased demand for rooms by businessmen, travellers and government groups have taken up the slack caused by reduction in travel of soldiers and their families. Services in some cases not yet back to pre-war level, with certain types of help still hard to find.

**Halifax:** Reservations generally filled in 3 to 4 days, except during ship arrivals and departures, when 10 days may be required. Many services restored, doormen and shoeshine boys are back. As war-swollen population subsides, restaurants are not so crowded, which leaves hotel dining staffs in better position to cater to banquets, private dinners and civic functions.

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### How to Keep Out of Trouble—X

# Five Hazards Lie in Wait for Every Motorist Insurance Takes the Sting Out of Them All

By DONALD G. MACLEAN

How would you like to get a bill for damages for $115,000?

If you own or drive an automobile that could happen to you. It happened to one Toronto motorist just a few years ago. Following an accident on the Queen Elizabeth Highway the injured party was awarded damages of just that amount. The original award had been $165,000, but the Supreme Court of Canada ruled that $165,000 was too high and ordered a new trial to reassess the damage. The judgment for $115,000 was the result.

This awarded probably set a record for Canada, but it shows what can happen when somebody is injured in an automobile accident. In this case the claim for damages was made against both the owner and the driver of the car, the car being owned by the husband and driven by the wife.

Don't think for a minute that because you don't happen to be driving the car when the accident occurs you won't be liable. As long as you are the owner you are subject to a claim for damages incurred, no matter where you were when the accident occurred.

Some of the most costly accidents are almost absurdly simple in circumstance.

In the mishap that produced the $115,000 award, for instance, the victim was standing on the highway close to his own automobile. He was hit by another car driven by the wife of the man who owned it.

His legs were both fractured, necessitating a long stay in hospital, with heavy medical expenses. As a skilled toolmaker and engineer he had earned over $18,000 in the last calendar year before he was hurt and while he had retired at the time of the accident he was about to start another business. Due to his high technical skill he expected to average earnings of $25,000 a year.

This case, while unusual, none the less puts startling emphasis on the need of motorists carrying adequate public liability insurance.

### Insure Before You Drive

As a motorist, insurance protection is one of the first things you should attend to. In fact, the wise motorist will not drive a new car out of the dealer's premises until it has been insured.

Automobile owners are exposed to five main hazards: Fire, theft, collision, public liability and property damage.

There are other minor hazards against which insurance protection can be obtained, but the five named are the most frequent causes of loss and the ones which ordinary caution demands that you have before you start to drive a car at all.

The need of fire and theft insurance is obvious. Because fire losses on automobiles are relatively low, the premium rate is also low and while automobile thefts are fairly common, the cars are so frequently recovered without any serious damage that the cost of theft insurance is also a minor matter. It is in the other types of protection that insurance costs really become substantial.

Obviously public liability coverage is probably the most important because it is impossible to assess in advance the claims you may be called upon to pay.

In cases of fire and theft damage cannot exceed the value of the car itself. Similarly, in collision or property damage insurance there are certain limits beyond which claims are not likely to go.

For example, in collision insurance (insurance on your own car against damage which may occur through you striking some other object, or damage which somebody else may do to your car) you know that the financial loss cannot exceed the cost of the car.

In property damage normally the same condition prevails. Of course, it is conceivable that if your car got out of control and ran into the window of a high-class gift shop, destroying valuable china or antiques, the loss would be very heavy.

Such an occurrence, however, is most unusual. Normally, property damage caused by a car is limited to damaging someone else's automobile, or perhaps a fence or part of a building. In any case, the amount of damage can usually be assessed quite accurately.

Public liability, however, is quite different. There is no fixed yardstick by which you can measure the damage caused. If your car were to injure some average wage or salary earner, and you were found negligent, he might obtain a judgment of $4,000 or $5,000, while the same injuries caused to a technician whose time is worth a great deal of money might lead to an award 10 to 15 times as high. Damages awarded by a court always depend, in part, on the injured party's earning ability.

It's conceivable that even in the case of a person with a lower earning ability the damages might be almost as high if it could be shown that the injury had necessitated very heavy medical expenses. Court records show frequent awards of $10,000, $15,000 and $20,000 to people injured in automobile accidents.

Then, of course, there is always the possibility that more than one person may be injured. Just suppose you lost control of your car on the highway and crashed into a bus loaded with passengers. You might easily injure half a dozen of them, some perhaps seriously. The bill for damages might run from a few hundred dollars in the case of some to over $100,000 in others. If judgment were obtained against you, you might be crippled financially for the rest of your life. Even if you had lent your car to a complete stranger and he was driving at the time of the accident you would be held responsible with him.

BROTHER-YOU'VE HAD IT!
NIK-NAK NOOK
COME IN AND BROWSE AROUND

**"If your car ran into an antique shop, damages could be very heavy."**

Because the public generally is now aware of the possibility of obtaining heavy damages from motorists responsible for accidents, many people are increasing their automobile insurance. The basic premium rates are established on a minimum coverage of $1,000 property damage, $5,000 public liability with injury to any one person, with a total of $10,000 protection for any one accident. The number of cases in which large amounts have been awarded indicate these amounts are not high enough. In many cases property damage coverage of $2,000 is being carried with public liability limit increased to $20,000 and $40,000—that is, $20,000 for injury to one person and $40,000 for injuries caused in any one accident. Some motorists—and not only wealthy ones — believe $50,000 and $100,000 are nearer the "safe" limit.

Another factor that tends to add to the automobile accident risk has been the higher earning power of many people.. Thus, suppose the victim is a man aged 30 who has an established earning power of $5,000 a year, and who has been crippled for life. Apart from the medical expenses incurred he would probably present a claim for the present worth of his earning power based on his expectation of life. This might easily amount to $100,000.

Present high costs of repairs and new parts are also adding to the expense of property damage accidents. Automobile insurance company executives say that the cost of property damage claims is now probably 60% higher than it was before the war.

When collision insurance is taken out by the automobile owner it usually has a deductible clause. If the policy is issued on a "$50 deductible" basis the owner agrees to pay the first $50 of damage himself, the insurance company being liable only for damage over $50. When this is done the premium is substantially lower than if protection is given for all damage which may be sustained by the automobile, small or large.

### Unusual Hazards

It is also possible to obtain cover against hazards to your automobile which are not covered by the regular policy.

Thus, for a nominal sum it is possible to insure against damage you might sustain in a windstorm such as that in the Windsor area in Ontario last summer. It will also give protection against trees falling on your car or similar mishaps. In one case a man in Toronto was driving along the street when, in a high wind, a sheet of glass was blown out of the window of a tall building. It cost $40 to get the dint taken out. He had ordinary collision inssurance, but the damage of this kind was not covered by his policy.

Ownership of an automobile, like ownership of any other property, carries with it responsibility to the public for injury to property or individuals. Accordingly, all automobile owners and drivers take care that they are adequately covered before they undertake operation or ownership of a vehicle. Even if you don't own a car, if you are driving you are wise to take out driver's policies giving you protection against claims which may be made against you for property damage or personal injuries.

The costs are nominal. Here is what it costs to insure a 1942 Chevrolet, used principally for pleasure, in Toronto:

| | |
|---|---|
| Fire and theft | $ 5 |
| Collision ($50 deductible) | 23 |
| Property damage (limit $1,000) and Personal Liability $5,000-$10,000) | 30 |
| Total | $58 |

Increasing property damage coverage to $2,000 and personal liability to $20,000 and $40,000, the premium would be only $3.60 more. For a further $1.20 liability coverage can be increased to $50,000 and $100,000.

The extra investment is small indeed, compared to the peace of mind and financial strength it buys.

*Addresses by Hon. Charles McCrea, K.C., President and Mr. W. G. Watson, Vice-President and General Manager*

# Sixty-Fifth Annual Report

# TORONTO GENERAL TRUSTS

## New Record Set in 1946

### PRESIDENT

*The President, Mr. Charles McCrea, K.C., in moving the adoption of the Report, said in part:*

Supplementing my report to the shareholders in behalf of the Board of Directors, Mr. W. G. Watson, our capable and efficient General Manager, has given you an able explanatory review of the Corporation's business for 1946. This is his Fiftieth year with the Corporation and it is a matter of pride to him as it is to us that he crowns his Golden Jubilee of continued service by a report which is the best in the history of the Corporation. It evidences the enduring march of progress and success during the 65 years of the Corporation's existence. I am happy to extend to him the congratulations of the Board and, I am sure, of the shareholders, on the fine achievement of himself, his loyal staff and associated employees in all branches, as well as our competent and helpful Advisory Boards.

### POST-WAR DIFFICULTIES

Undoubtedly we were over-optimistic in believing that the devastation and disorder which six years of global conflict created could be reconciled in the period of a year to a year and a half which has elapsed since the "cease fire" was sounded. We realize now that it will take a much longer period to set the world back on a normal track. The battle for world peace and world order is still with us, but the wide publicity given to disputes and conflicting interests has made it possible for us to appreciate the magnitude of the task. We must keep striving and trying for a satisfactory solution, rather than risk a recurrence of the old order in which national differences and rivalries inevitably led to war.

### EXPORT GOAL SET AT $1,750 MILLION

To-day, more than ever, Canada is a part of this great International World and depends upon a large volume of export trade. Geared as we were to a high industrial capacity for war purposes, we hoped to swing its strength into a peace-time export trade for the benefit of Canada's economy. In April, 1945, in a Canadian white paper "Employment and Income with special reference to the Initial Period of Reconstruction", a target for post-war exports was set up. The following is a quotation from that paper:—

"Canadian employment and income have, in the past been highly dependent on export markets. In Agriculture, and the other great primary industries, the dependence has been direct and obvious. Where it has been indirect, it has been none the less real.

"Having regard to the structure of Canadian industry, the desired levels of employment and income, and the low level of export trade before the war, the Government considers that a figure of not less than one and three-quarter billion dollars annually at current prices for merchandise exports and non-monetary gold is a practical and desirable target for post-war exports. This would be about one-half our current swollen wartime exports, about 60 per cent. above the pre-war level in dollar value, but only about 15 per cent. higher in the amount of goods exported."

On above basis, we had estimated for 1946 an export trade of roughly $1,750,000,000. We learn with great satisfaction that our domestic merchandise exports for 1946 will exceed $2,300,000,000, of which 40% is to the United States and 25% to the United Kingdom, with the balance being widely diffused through British countries, Europe, and Latin America. Although this is not as great as the previous four war-years, it is far above the average of $884,000,000, for the five pre-war years of 1935-1939.

### CANADA MUST PLAN

Our National objective in this post-war period is two-fold. On the one hand we wish to play a worthy part in International negotiations and relations so that we, along with other nations, may bring about a lasting peace, and derive the benefits which flow from it; on the other hand we look forward, through expansion of our productive capacity and commerce, to enhancing in these years ahead the very creditable position which we achieved in the war period. Primary resources we have in abundance—farms, forests, mines, fisheries — and we are already geared to industrial capacity far beyond our own needs. In the vast trade we did with the outside world during the war years, and since, agriculture and animal products have supplied our chief exports, with wood, wood products and paper, second. It is inevitable that with the war over, and return to production in war-torn countries, our agricultural exports will drop, as will also our exports of manufactures. It behooves us, therefore, to look ahead to adjust our economic effort to changed world conditions of demand and supply.

One avenue of adjustment which suggests itself is the expansion of mineral production—to meet external requirements and at the same time to create at home new towns and cities and enlarge our population. Broad-visioned policies will do this; and only broad-visioned policies will enable us to carry on in the traditions of the Founders of this Nation. They laid the foundations, set up the frame work of a great edifice, and have left behind them a great heritage of achievement. Their work was, however, only a beginning, for they left, as well, a greater heritage of unfinished business

### GOLD MINING URGENTLY NEEDS TAX RELIEF

I give this background to remind you that vast areas of Canada's hinterland are still undeveloped but within them lies great potential mineral wealth; and I make a plea for a revival of gold mining. "Gold-mining" was the "open sesame" which sent an eager world to settle and build California, that sent daring and courageous nation-builders to British Columbia, and developed them into great communities. Gold mining has already played an outstanding part in our National expansion. The finding of gold, and the production of it, has built towns and cities in Ontario and elsewhere, attracted supporting industry, and infused new hopes and ambitions. Tax the mining industry, of course—but impose a fair and moderate tax — on such a hazardous enterprise. It is better to have a hundred mines producing gold at a moderate tax, than only a few producers cramped by a higher tax until even those mines are exhausted and eventually a great industry dies. The benefits which accrue from successful mines paying a moderate tax are small indeed to the mine-owner or mine shareholder, in comparison with the benefits which are distributed to the community. The labourer finds his living and his home in the mining community. Transportation, industry, agriculture, forestry, professional and trained personnel, the Exchequer, together share much the greater part of the new wealth produced. It is not difficult to foresee the part an expanding gold-mining economy can play in our country's development. It will be complementary to our other business activities. The production of new wealth impoverishes none but enriches all.

The time is now, while we still enjoy a profitable export trade, and before a business recession sets in, to set our Canadian house in order, and so be able to absorb the shocks which the aftermath of war will eventually produce. Thoughtful Canadians realize how much we depend on the wealth crop taken each year from our primary industries of agriculture, forests, fisheries, mining and tourist trade. When we can find markets for the output of these basic industries, all is well in Canada. There is always a market for gold, but gold will only be produced if hope is entertained for a profit commensurate with the hazard. The time is now to shape our policies to assure a broad, active endeavour and attract not only our own but outside capital to engage our people.

I have always been an optimist concerning the gold industry and what it can do for Canada. I am convinced that aggressive revival in gold mining is one of the outstanding needs in Canada's economy now. With the war over, I urge the Federal Government to ease the restrictions now burdening the industry.

We have youth, faith, capacity, energy and talent. Men and women of this Northern Zone are worthy of their great heritage and deserve the opportunity to develop it. Let us build and expand in this generation and, in turn, hand to the next a comparable heritage of our achievement to be matched by them when they take over to carry on in the great unfinished task of nation-building.

Your Corporation looks forward confidently to Canada's expanding future. We shall continue to play our part in advancing its growth and parparticipating in its success. I heartily commend it to your consideration.

### GENERAL MANAGER

*The General Manager, Mr. W. G. Watson, said in part:—*

The Sixty-fifth Annual Report of the Corporation is one in which you, as Shareholders, may, I am sure, join with the Directors, members of our Advisory Boards, Officers and Staff in reasonable pride, for all have had a share in making the year 1946 the best or peak year in the three score years and five of our history—the best in volume of Assets under Administration—the best in total of new business assumed in any year—the best in volume of potential future business as expressed in the number and quality of Wills filed with us for safekeeping—the best in earnings, due largely to a constantly increasing demand for our services not only in personal Estates, Trusts and Agencies but in Corporate Trusts and Transfer Agencies as well.

### INCREASE IN ASSETS

You will observe from the Balance Sheet that the Assets under Administration now amount to $296,256,212, an increase of $18,714,766 over last year. This increase is contributed to by all three sections of our Balance Sheet in the following amounts:—

| | |
|---|---|
| Capital Account (which represents the Corporation's own assets) | $ 670,411 |
| Guaranteed Trusts Account (which includes funds held under Guaranteed Investment Certificates and Savings on deposit) | 2,466,632 |
| Estates, Trusts and Agencies | 15,577,723 |
| | $18,714,766 |

The major portion of the increase in our Capital Section is accounted for by a reserve of $500,000, which appears in the Balance Sheet under the caption "Investment Reserve", an amount released by your Directors from reserves previously set up as a precautionary measure.

### CAPITAL ACCOUNT

The Office Premises Account was increased during the year by $55,335 through the acquisition of certain building lots and the cost of structural changes and expansion in our office buildings in Montreal, Ottawa, Winnipeg and Vancouver Branches, but appears in our Balance Sheet at $1,535,000, or a slightly lower sum than in 1945 after a depreciation write-off of $57,335 as shown in the Profit and Loss statement.

Real Estate held for sale is shown at $63,337 or $103,266 less than last year. Mortgages and Sale Agreements in this Section at $1,863,048 show an increase of $99,982.

Dominion of Canada and Provinces of Canada bonds are up $231,445, for a total of $1,432,478. Call Loans on Trustee securities at $401,694 are up $254,186. Cash in banks and On Hand at $281,091 compares with $214,827 for last year.

### GUARANTEED TRUSTS ACCOUNT

Coming now to the Guaranteed Trusts Section of the Balance Sheet, mortgages at $5,083,895 are down from last year by $643,297.

Dominion of Canada and Provinces of Canada bonds, together with Canadian Municipal debentures at $14,026,408 are up $2,615,296. Call Loans on Dominion of Canada, Provincial and Municipal securities of Canada at $1,054,906 show an increase of $635,648. Cash in chartered banks and on hand at $1,040,149 compares with $1,152,626 for 1945.

### INCREASE IN ESTATES ACCOUNT

In the Estate and Agencies section, assets under administration at $268,702,327 show an increase for the year of $15,577,723.

### INVESTMENTS

It will be of interest to you that in connection with the Dominion of Canada, Provinces of Canada bonds and Municipal debentures totalling $15,458,886 held in our Capital, Guaranteed and Savings Sections there are no defaults, all interest and principal due having been fully met as at the end of the year. This situation applies also in connection with our holdings of other bonds totalling $204,670 in these Sections. As to preferred and common stocks totalling $267,823 held for these accounts, all are making regular dividend payments. It is also a further interesting commentary on the city mortgage situation in Canada—both East and West—that in connection with mortgages totalling $4,620,553 held for these same accounts the arrears of interest outstanding as at the 31st December, last, amounted to less than one-tenth of 1%. The average earnings on investments held in these Sections was 4.37% for last year.

The Dominion of Canada and Provinces of Canada bonds and debentures of the Municipalities of Canada, together with stocks and bonds held in the Capital and Guaranteed Trusts Sections, had at the end of the year a market value substantially in excess of the book or cost value at which they are held.

Our liquid position in relation to Savings on deposit at 149%, you will, I am sure, feel is exceptionally strong.

### STEADY GROWTH OF CORPORATION

Through these sixty-five years with their good times and bad, the Corporation has year by year shown steady expansion, as evidenced in the mounting volume of Assets under Administration and in the multiplication of our duties and services.

*Total Assets Under Administration*

| | |
|---|---|
| December 31, 1896 (or 15 years after its inception) | $ 12,004,000 |
| December 31, 1906 | $ 31,408,000 |
| December 31, 1916 | $ 77,181,000 |
| December 31, 1926 | $159,813,000 |
| December 31, 1936 | $240,755,000 |
| December 31, 1946 | $296,256,000 |

While our Head Office is in Toronto, we are proud to be known as a "national" organization with ten Branches located across Canada from Montreal to Vancouver, fully equipped through our Board of Directors, Branch Advisory Boards, Executive Officers and Staff to deal intelligently with the widely scattered and diversified Estate assets and Corporate Trusts with which we have to deal.

### RECORD WHEAT CROP

The third estimate of Canada's 1946 wheat production, which has just come to hand, places the total at 420,725,000 bushels or a gross farm value of $480,215,000, which is stated to be an all-time dollar record for this highly important world commodity. Of the total crop estimate, the amount produced by the three Prairie Provinces is placed at 400 million bushels, as compared with the 1945 crop of 294,600,000 bushels. The farmers of Western Canada are to be congratulated upon the success of their fine endeavors in recent years which have meant so much to them personally and to Canada as a whole. It is safe to say that without the West as we have it to-day, the place which Canada now occupies among the nations of the world would have been quite impossible.

### REAL ESTATE

In the Real Estae field in Canada, while in the last two months some sales resistance developed, 1946 as a whole was one in which great activity prevailed not only in dwellings and apartment houses but in business properties of all kinds and in the West in farm lands as well. In our own experience, sales for the year of properties belonging to estates and agencies and parcels of our own held for sale were 666 in number for a total of $4,612,061, in connection with which the cash or down payments amounted to 58%, which compares with 714 sales for $4,444,256 in 1945 when the number of properties on hand or listed for sale was substantially higher.

### IMMIGRATION POLICY REQUIRED

One of the most urgent matters which faces our Federal Government to-day is surely the setting up of a sound and adequate immigration policy together with the necessary personnel and facilities, looking to an early and important increase in the flow of suitable immigration to our shores.

In almost every direction undertakings, as I have pointed out, of marked importance are being held up because of a shortage of personnel. The shortage not only obtains in the field of primary industries — agriculture, mining, forestry and fishing—but also in manufacturing, the building trades, office and shop workers, domestic help and certain of the professions. There are, as Mr. Arthur MacNamara, Deputy Minister of Labour, pointed out a few days ago, certain occupations to which most Canadians "do not lend themselves readily". If this applies—as no doubt it does—to our primary industries whose products, if in short supply for any length of time would seriously disrupt our whole economic system, some solution must be found to the problem, for upon these industries our whole economic fabric is built. No doubt tens of thousands of good workmen accustomed to such occupations are available to us in Europe to-day as well as large numbers of competent men to take on other duties, together with many who have the means and qualifications necessary to establish businesses of their own, some indeed who would be glad to come with special skills and crafts which would not only be new to Canada but add color and variety for future business development.

England has in the past, by opening her doors to refugees in times of stress, greatly enriched her industrial life. We must recognize the responsibilities which our great natural resources impose upon us to give home and employment to tens of thousands of displaced and eager folk—neighbors of ours now in a world made small indeed by transportation—and in doing so we shall expand our facilities for establishing a foreign market through present-day needs which obtain and also find an ampler life, higher standards and stability for all of us through a much larger domestic market.

Canada at the present time has within her grasp an opportunity such as few nations have ever had of increasing her prestige and national worth through an all-out attitude of good-will and service. To enter into possession of such a field, however, calls for the opennig of our doors, as I have already suggested.

Canada has, under her new Citizenship Act, given a new status to Canadians which should simplify and give stimulus to our efforts in establishing a national unity of programme and purpose across Canada. It will also clarify our public and private contacts and relationships with the peoples of other lands while not detracting from the warm regard for Britain which is presently held by so many Canadians.

### STAFF

In closing, I desire to express my very sincere appreciation of the loyalty, efficiency and hearty co-operation of my fellow officers and members of the Staff throughout the Corporation at Head Office and its Branches during a year of transition which presented many problems, particularly in our endeavors to satisfactorily locate our boys who were returning from war services. It is a pleasure to record with what enthusiasm and purpose they have returned to our offices in Toronto and the Branches and resumed their work to our great satisfaction and appreciation.

THE **TORONTO GENERAL TRUSTS**
CORPORATION
HEAD OFFICE: 253 BAY ST., TORONTO
BLOOR ST., TORONTO MONTREAL OTTAWA WINDSOR WINNIPEG REGINA SASKATOON CALGARY EDMONTON VANCOUVER

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***Enterprise at Work***

# Shipping Chicken to Son Overseas Started Thriving Canning Business

From Our Own Correspondent

CALGARY — People over 60 who are inclined to look regretfully back on lost opportunities may take encouragement from the example of Mrs. L. W. Riley of Calgary.

MRS. RILEY

Mrs. Riley, 63, lived on a modest poultry farm about 75 miles northeast of this city until last spring. Now she is joint owner with her husband and two sons, of a poultry canning business just outside Calgary's western outskirts—a business which grossed $10,000 in the last two months.

"When we get set up in the new city location I am negotiating for, we will double the figure," she said a few days ago. "Ours is the only firm that I know of, canning poultry between Toronto and Vancouver."

And when the new business gets on its feet? "I'll go and start more just like it in other western cities," Mrs. Riley beamed. Certainly, she said, there was no lack of demand for her product which at present consists of a tin containing seven ounces of chicken in fluid labelled "Mrs. Riley's Farm Packed Poultry."

Just like other new postwar industries, Mrs. Riley's has been looking for proper plant premises. A site has been obtained on option from the city and Mrs. Riley has conferred with provincial officials in an effort to obtain two former army huts and a loan to put the new plant on its feet.

**"Wouldn't Take $50,000"**

"I have been offered lots of money from other quarters and could easily form a stockholders' company, but I don't want to do that," she says. "Right now I wouldn't take $50,000 for my business."

She expects to get everything settled to her satisfaction within a few weeks, and have the new "factory" in operation before spring.

Mrs. Riley is the public relations manager and recipe expert of the firm. Her husband oversees plant operation and handles the books, while her sons, Gordon and Robert, hold executive and operational positions. The sons' wives lend a hand, also. Gordon's wife, a British war bride who came to Canada last July, puts the labels on the 95 to 100 dozen tins turned out each day, while her two-month-old baby sleeps in a baby carriage near the work table.

Mr. and Mrs. Riley came to Canada from Kansas in 1911. Mrs. Riley had been a trained nurse and soon found, after settling in the outlying farming community near Rosebud, Alberta, that nursing services were in great demand. So she varied household duties with outside nursing; says she helped bring about 500 of the present generation into the world. In the meantime she had two sons and several daughters of her own. And when World War II came along and one of the sons, Gordon, went into the Army, it became necessary to send food parcels overseas. That was the beginning of the canning business.

**Couldn't Ship Jars**

"We were raising poultry," she explained. "We had about 5,000 chickens, and we sold them dressed on the Calgary market. Like other farm people, we would put some up in sealers for our own use each year. I wanted to send some over to Gordon but glass jars could not be shipped, so we got a home-canning machine and some tins. These we sent to England and Italy and Gordon and his friends thought it was wonderful."

If the tinned chicken could be sent several thousand miles and prove good enough for Gordon, it ought to be good enough for local consumers, the Rileys decided; so, when they made trips with dressed poultry to the city, they began taking along tinned chicken as well. It was snapped up so rapidly, and from a production and financial standpoint was so much more efficient, the idea of concentrating on this method of selling the poultry crop became a natural development.

Early last year the family decided to move to the city and go into the canning business. A license was obtained, and approval was granted by the Wartime Prices and Trade Board. But the only available premises were in an abandoned golf club house just outside the city limits. There was no running water, and other facilities were lacking; but the building was obtained as a start and the family moved in.

**"All Tins I Wanted"**

Then a glass shortage developed, and everyone said tins could not be obtained.

"So I got on the train last September and went to Vancouver," said Mrs. Riley. "You've got to go right to the people you're dealing with. There is no use in writing. The American Can Company told me I could have all the tins I wanted."

On her return a contract was arranged with the Alberta Poultry Marketers for a steady supply of poultry and work commenced at once filling orders. It was strictly a family affair until in November, finding the firm some 1,200 units behind orders, Mrs. Riley started taking on additional help. Now two "outside" men and 11 women are employed. An old reconditioned cook car, nine by 26 feet, which once served as a threshing outfit cook house, was bought and placed alongside the building. It is used as temporary canning headquarters.

A neighbor has been given the subcontract for cleaning the chickens. Nightly 1,000 pounds of poultry undergo a thorough washing and are cooked for an hour under 25 pounds steam pressure in 100-lb. lots. The pressure cooker was made by a Calgary welder.

In the morning, the cooked chickens go into the sorting room on large trays and women employees pick the meat off the bones by hand, sorting it on trays into dark and white meat classifications. Other employees fill the tins (white meat going on top and bottom, so the user will see it first when the tins are opened). The filled tins are placed in a pan of water, gravy is added and the tins are brought to a boil.

**Serve Wide Market**

The tins then go to the man who affixes lids in a manually operated machine. Next they are placed in a steam pressure vessel and undergo another hour's cooking. They are then cooled in water; go to the labelling table and are packed in two-dozen and four-dozen cases. They are trucked to town and sold to wholesale firms at $4.80 a dozen, out of which the Rileys pay 8% to the Government in sales tax. The product has a wide distribution, going to Edmonton and Vancouver as well as to nearer points.

No tin shortage has been encountered so far. The plant operates five days a week, paying unskilled labor 45 cents an hour. The tins retail in Calgary stores at 49 cents. To date, owing to the sudden rapid growth in the business, no fixed accounting costs have been worked out. But it is safe to say that the Rileys view their future with optimism. Other lines are being planned; and when the new plant is established, it is hoped to employ around 50 people.

"We want to keep it a nice, homey business; no black factory chimneys for us," mused Mrs. Riley. "We will have machines, of course, for some of the work. It will be a family enterprise and when Mr. Riley and I leave it, our sons will have a good business. As for me, I can't be idle."

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# *Canadian Hotels Still Crowded Need Ceiling Relief, Heads Say*

Canadians are not spending the money they did a year ago in night clubs, but they are still travelling about the country and stopping at hotels in unprecedented numbers.

That's the experience reported by the executive heads of Cardy Hotels at their semi-annual conference of managers and comptrollers in Toronto recently. The chain's six hotels—Mount Royal, Montreal; King Edward, Toronto; Royal Connaught, Hamilton; Leonard, St. Catharines; General Brock, Niagara Falls; Prince Edward, Windsor—found dollar volume steady in December but unit volume down. Experience in all six hotels is consistent, with night club receipts alone down about 20%.

Occupancy today is still over 90%—far above the 50% average which prevailed during the 1930's. And none of the Cardy men is venturing out on a limb to say whether the peak has yet been reached.

**Rates Lag Behind**

H. A. MacLennan, veteran general manager of the Cardy system, told The Financial Post it was his experience that, figured on unit volume, the hotel business runs pretty well parallel to general business conditions; on dollar volume it may lag two years behind current conditions. The crash of 1929, for example, did not hit hotel rates until late in 1930 or even 1931.

"Likewise, hotel rates are slower to recover from a depression period than other prices," Mr. MacLennan said. "That's how the industry was caught by the war and price ceilings, before they had recovered from their low of the 1930's."

The industry needs price ceiling relief; and the Cardy people feel that if they were free to make adjustments, there would not be more than a 10% increase across the board on room rates. They say a 25% increase in the food department would be warranted.

**Wages Have Soared**

A recent survey of representative New York hotels shows a 102% boost in labor costs over 1941 figures. On the basis of a similar study at the Prince Edward Hotel, Windsor, Ont., which showed a 76% gain in wage rates between 1941 and 1944, Mr. MacLennan believes the New York report applicable to the situation in major Canadian centres.

Capital expenditure of $25,000 to $50,000 per hotel is facing the Cardy chain in Windsor, Hamilton and Toronto with the advent of cocktail bars in Ontario. Plans are not final yet, but are proceeding in these three centres. It is hoped to install facilities with a minimum use of strategic building materials.

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# Saskatchewan Buys Holdings Can. Utilities

From Our Own Correspondent

REGINA — The Saskatchewan Power Commission has purchased the entire Saskatchewan holdings of Canadian Utilities Ltd., exclusive of the Lloydminster unit, for $3.6 millions.

Headquarters of the company is at Calgary. The purchase includes the Indian Head, Yorkton and Prince Albert systems, and generating plants at Wilkie, Kerrobert, Kindersley and Rosetown, together with their transmission lines. It adds a further 419 miles of transmission and 217 miles of distribution lines to the Commission's holdings.

The transaction involves 21 oil and three steam-generating units, and a total of 11,147 new consumers in 38 new electric unit communities. The 1945 operating revenues of the Canadian Utilities' holdings was $956,497.

Resources Minister J. L. Phelps said the purchase of Canadian Utilities' holdings in Saskatchewan is "a further step in the Government's program of public ownership of public utilities." With the exception of one private company (National Light and Power, Moose Jaw), and a few isolated units, balance of the electric power system of Saskatchewan is now under public ownership.

Previous purchases by the Commission include the Prairie Power Co., bought early in 1945 for $1,462,000, and the Dominion Electric Power Ltd., at Estevan, $700,000 worth of common stock being purchased for $420,000.

Mr. Phelph said acquisition of these properties, together with the transfer of the Dominion Electric Power Ltd., raises the question of municipal financing. Therefore, a thorough investigation on government property is being made by a special committee. Whatever provision is made will be retroactive to Jan. 1, 1947.

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**SIGMA MINES (QUEBEC)** reports bullion production of $158,063 from 27,241 tons of ore treated, an average of $5.80 gold per ton in January.

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# Education Worth Higher Wage

## The Question: Do You Favor Higher Pay for Teachers, Even at Cost of Higher Taxes?

Better education for young Canadians is well worth extra expenditures on teachers' salaries, agree taxpaying citizens from coast to coast.

Last week The Financial Post asked a representative group of Canadians—businessmen, educationists, publicists, parliamentarians —if they would favor higher pay for teachers as a means of keeping the nation's educational standards from falling. Response was so great (The Financial Post, Feb. 8, page 12) that all replies could not be published immediately. Ten further opinions on this vital question appear here:

**HON. IVA CAMPBELL FALLIS, Conservative Senator, Peterborough, Ont.**

My answer is an emphatic "Yes."

1. Because our teachers are engaged in the most vital of all work—molding the character and training the minds of our future citizens, and

2. Because this country has an obligation to these future citizens, namely, to provide them with the best available instructors during their impressionable years.

As a large percentage of our children never go beyond public school, it is of paramount importance that the best possible teachers are provided for them there. Under the present system of inadequate recognition of the importance of their work, the best of our public school teachers will continue to use the teaching profession merely as a stepping stone to a more lucrative calling.

• • •

**MRS. H. A. DUNHAM, former president, Federated Women's Institutes of Canada, Havelock, N.B.**

A general salary increase might raise the quantity but not the quality. Salaries of inexperienced teachers are better than those received by other professions, age, scholarship and lack of experience being equal. To raise educational standards, I suggest first, advance requirements then make retention and promotion contingent upon record of performance and suitability. In secondary and high schools not only salaries but prestige should be on a par with those of other professions which require advance qualifications. The stigma attached to the school teacher by press, radio and public must vanish if teaching is to become for the best an attractive career.

• • •

**DR. V. C. FOWKE, Dept. of Economics, University of Saskatchewan, Saskatoon.**

Higher salaries are necessary but insufficient to restore the self respect of teachers. Canadian worship of success measured by continuous expansion leads to distrust of the teaching profession which, due to declining birth rates, works with dwindling enrolments. Teaching is the easiest way to independence pending marriage for ambitious farm girls continually in excess supply. Provision of other economic opportunities for such girls is necessary to remove many from the occupation for which they have neither liking nor aptitude. Teacher training is futile when it emphasizes technique rather than knowledge. Horse and buggy age equipment of the typical Canadian school house completes proof of the low social status of the teaching profession.

• • •

**ARCHDEACON A. P. GOWER-REES, Montreal.**

The alleged falling of the education standard of Canada is not necessarily due to underpaid teachers. It is more likely due to inadequately trained teachers. Salaries of trained teachers should be worthy of the profession to which is entrusted the education and training of young citizens. Education should be one of the first charges on national finances and regarded as a national investment. Increased public expenditure on education would mean increased productivity of people and economies in the field of public health, public relief, etc. A sense of security and adequate salaries to maintain teachers' social status would go far to make the teaching profession more attractive.

• • •

**DR. W. SHERWOOD FOX, president, University of Western Ontario.**

I am convinced that low salaries are the reason why too few high-grade teachers are attracted to public school teaching. Even at the risk of higher taxes, I would advocate payment of higher salaries. This would bring returns proportionately greater than the additional outlay involved. Indeed, I believe higher taxes are not inevitable since improved quality of teaching is more productive of sound results and hence more economical.

• • •

**REV. WILLIAM C. GRAHAM, principal, United College, Winnipeg, Man.**

To assume that higher salaries for teachers will raise educational standards is to simplify the problem. Anyone who teaches merely for the money that is in it lacks the essential qualification for that service. Teaching as a profession is a casualty of the prevailing materialism. Educational standards will not be raised until the public accords to the teaching profession a higher social status than is the case at present.

Inadequate salaries are a symptom, not a cause, of falling educational standards. They should be raised especially in the country but not, however, by the mere expedient of raising taxation levels which are much too high as it is. The cure is to put more responsibility on the local community and allow it the freedom and the means to discharge it.

• • •

**J. A. MANN, K.C., Mann, Lafleur & Brown, Montreal.**

Educational standards in Canada are falling because public school teachers are poorly paid. Notwithstanding it means increased taxation, I would favor higher salaries consonant with their duties and grade requirements. Teachers in city and rural schools are required to have a substantial education, but many of them are such by circumstances rather than choice and their work is seriously affected by waiting to procure better positions, realizing that their friends are paid two to three times the amount of their salaries without the exercise of any more energy or mental agility.

• • •

**Wm. C. STANNARD, account executive, J. Walter Thompson Co., Montreal.**

Salary is not solely responsible for lowering education standards. Obsolete methods contribute in many cases and extension of research studies to develop a more practical approach is the first essential.

A raising of entrance requirements to professions; elimination of politics in administration and key appointments; greater coordination between provinces to establish uniform national standards with wider use of visual or broadcast methods would also assist.

Given sound methods, I would wholeheartedly favor higher salaries for teachers especially key personnel, based upon academic qualifications, teaching efficiency, service and local conditions. A wiser application of existing revenues to essential services such as education should make this possible without increased taxation.

• • •

**R. A. STAPELLS, vice-president, J. J. Gibbons Ltd., Toronto.**

Whilst I would not say that educational standards in Canada are actually falling, I do believe that the salary scale of teachers in our smaller urban centres and in our rural school districts are lamentably low, having regard to the importance of the work of the teaching profession to the future of Canada. It seems to me that our standard of living and mode of life call for a system of education, both in city areas and country districts, which will give maximum educational opportunities to children throughout the Dominion, even if it means higher taxes. And the achievement of this objective involves the placement of the teaching profession on an income level which will be commensurate with its responsibilities in the formation of character and the maintenance of high educational standards so essential to the welfare of the nation.

• • •

**HON. CAIRINE R. WILSON, Liberal Senator, Ottawa.**

Public school teachers in the city but more particularly in the rural areas should receive adequate remuneration for a service which is second to none in importance to the future of our country. I fear that education also suffers through rigid provincial control and that all Canada would benefit from exchange of teachers between the provinces. Men and women with proper qualifications should not be debarred from teaching for the reason that they have not received their training in that particular province. Better national understanding would come from knowledge of the history, geography, industries and ideas of other provinces which would be developed under a broader system of education.

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# YOU ASKED US ABOUT

**The Financial Post will provide subscribers as quickly as possible the answers to specific questions about business, taxation, investments, and other subjects. The Post cannot undertake to make predictions, will not express opinions on matters involving individual business judgment or on conditions or investments outside Canada. All communications should be addressed to Business Enquiry Editor, The Financial Post, 481 University Ave., Toronto 2. A four-cent stamp and address label from subscriber's copy of The Financial Post must be enclosed. If more than one enquiry is being sent, subscribers are asked to submit each on a separate sheet of paper, to facilitate research work entailed.**

## INVESTMENTS

### Standard Reliance Assets

I would appreciate your opinion as to the present value, if any, of the preferred stock of Standard Reliance Assets, Ltd., Toronto.

There is no market value for the preferred shares of this company. Standard Assets is a liquidating company, engaged in disposing of the assets of Standard Reliance Mortgage Co., which went into liquidation a number of years ago. Property holdings consist of a number of rather old buildings in the downtown Toronto area, and some western farm lands.

To date 75c. has been paid off on the dollar to the preferred shareholders, the last payment of 6c. a share in April, 1945. Company officials say there is likely to be one more small payment, but do not know just when.

### Brazilian Traction

Would you please give me some indication of the record of past earnings and current financial position of Brazilian Traction, Light & Power Co.?

Monthly operating results show gross earnings up 19.4% for the 11 months ended Nov. 30, 1946, over the similar 1945 period. Net earnings have shown an upward trend since last March and, subject to the impact of any legislation to implement the labor provisions of the new constitution being made applicable to 1946, should at least hold to the present increase, The Financial Post understands. Net earnings for the 11 months to the end of November were 7% higher than a year ago. Brazilian Traction does not anticipate any serious burden from the revised Brazilian Excess Profits Tax Act passed in April, 1946.

The labor situation, which has given the company great concern, has been relatively quiet since the granting of general wage increases last June. The report of the Government Commission investigating tariff increases to be allowed Jan. 1, 1947, as a result of June increases, has not been announced. The company has reason to believe that it will, in a large measure, be granted the increase in rates contemplated, The Post understands. The Government has agreed in principle subject to the report.

A new uncertainty was introduced into the wage-labor situation by the new Brazilian constitution effective last September. Section 3 of its labor article No. 157 requires "obligatory and direct participation of the workers in the profits of the concerns, on the terms and in the way provided by law." The effect on Brazilian Traction will not be known until the implementing legislation is passed.

At its current price of around $22¾ a share, Brazilian Traction common is selling at a relatively low price in relation to its earnings for the last two years. At this price the stock yields about 8.8% on the basis of the $2 annual dividend paid in 1944, 1945 and 1946.

Earnings per common share have been rising steadily—$1.30 in 1939, $1.31 in 1940,, $1.87 in 1941, $2.28 in 1942, $2.72 in 1943, $3.12 in 1944, and $3.16 in 1945. Earnings for 1946 should be higher than in 1945, depending on the effect of year-end adjustments, because of the increased net earnings mentioned above. The dividend record is irregular. No common dividends were paid in 1933, 1934, 1935, 1939 and 1940. Common dividends of 70c. a share were paid in 1936, $1 a share in 1937, 50c. in 1938, 40c. in 1941, $1 in 1942, $1.75 in 1943 and $2 in 1944, 1945 and 1946.

Brazilian Traction, Light & Power Co. through subsidiaries and controlled companies is engaged in the tramway, electric light, power, gas, water and telephone business, serving the cities of Rio de Janeiro, Sao Paulo and the surrounding districts of southeastern Brazil.

The company has a good earnings and growth record. Its prospects for continued growth seem good. (See The Financial Post, Nov. 23, 1946.)

The price of Brazilian stock is highly sensitive to the uncertain political situation in many South American countries. Further, its dividends are payable in Canadian funds and its ability to pay dividends depends primarily on its ability to transfer available earnings from Brazil to Canada. At present this presents no problem.

## INCOME TAX

### Annuity Premiums

If I buy an annuity from the Dominion Government, can I deduct the premiums from my income before paying income tax?

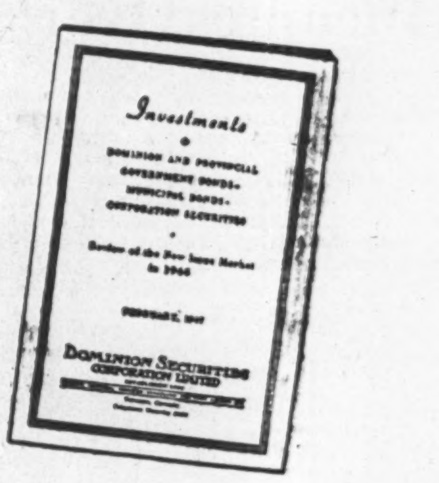
Presumably you will be paying these premiums personally direct to the annuities branch. In that case you aren't allowed any deduction from income for tax purposes. It is only when you pay into an approved corporation pension plan you are allowed deductions for tax purposes.

### Compulsory Savings

In 1942, 1943 and 1944, the refundable portion of my income taxes was quite substantial. When may I expect to receive my refunds?

The refundable portion of your tax for 1942 should be paid not later than March 31, 1948, for 1943 not later than March 31, 1949 and for 1944 not later than March 31, 1950.

**GOLDORA MINES** completed hole 76 at slope depth of 1,401 ft. in January. Gold values in the hole were widespread, but generally low. Hole No. 77, the most westerly of the series, will continue the cross-section of this western area, adjacent to the porphyry dike. It is being drilled at a point where a bend in the dike is indicated.



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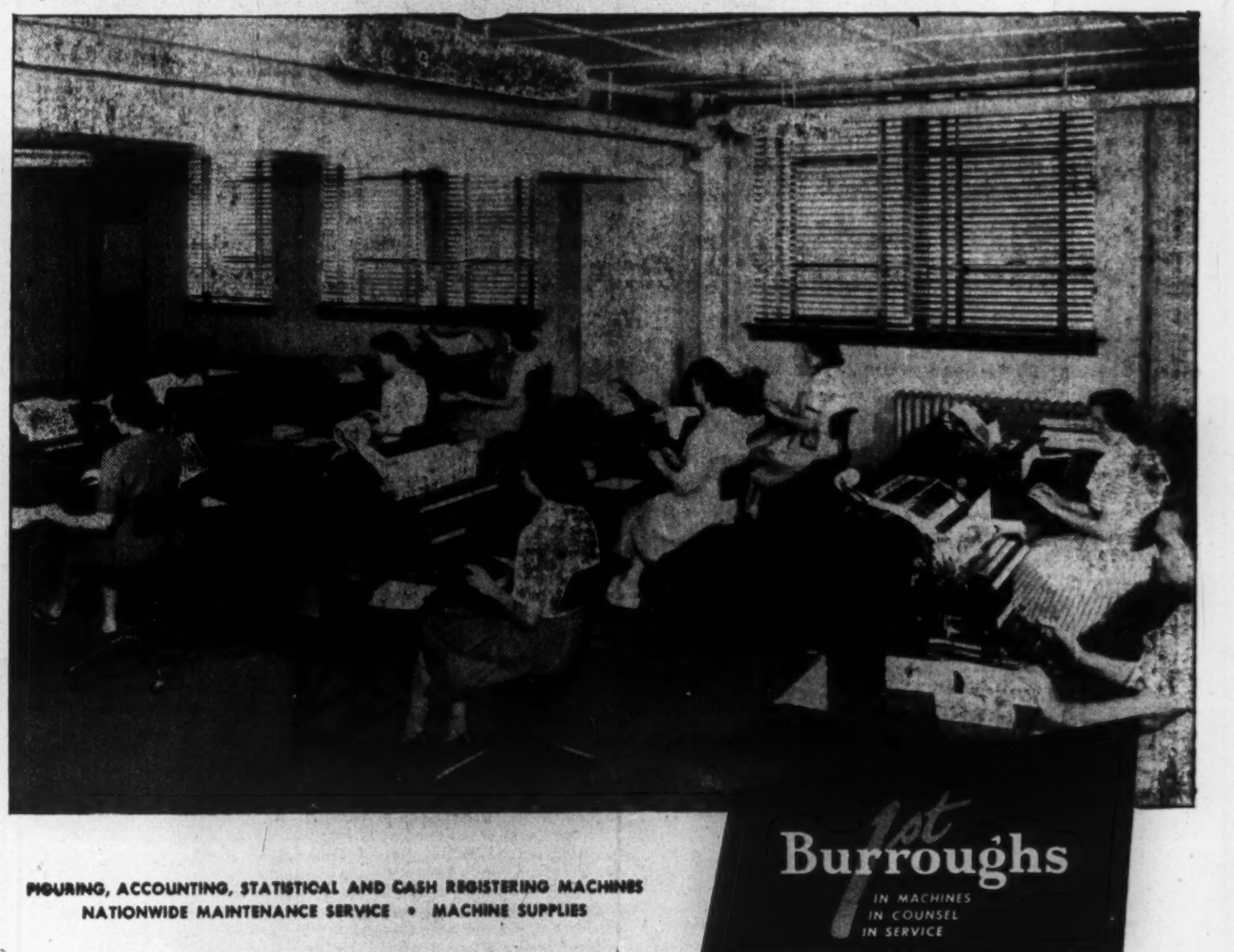

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***Newfoundland Newsletter***

# New 'Supertax' Levied On Incomes Over $8,000

**Special Correspondence**

ST. JOHN'S, NFLD.—To offset an anticipated loss in national revenue of $2 millions annually, largely the result of reductions in customs duties on essential foodstuffs and abolition of the excess profits tax, the Commission of Government has announced an increase in the rates of supertax affecting incomes exceeding $8,000 per year, effective Jan. 1.

The basic normal tax of 6% which applies on all incomes exceeding $1,000 for single persons and $2,000 for married persons (without dependents) remains unchanged. The surtax amounting to 50% of total normal tax and supertax also remains unchanged. The total net effect of these changes on government finances is likely to be a loss in revenue of about $2 millions for the year 1947-1948.

Effect of the change in supertax will be to place a heavier load on the shoulders of the higher income groups. Under existing rates in Newfoundland, a married man with wife and two dependent children pays a total annual income tax of $36 on an annual income of $3,000. This compares with the figure of $183 for Canada, taking into account the compulsory baby bonus payments.

It is estimated the change will yield increased revenue of approximately $150,000 for 1947.

• • •

### Rail Bottleneck Hits Fish Packers

Bay of Islands fishermen and packers have a new problem on their hands. After a heavy overcatch of herring in December, which led the Fisheries Board to curtail further packing activities, and a last-minute relief order from UNRRA for 50,000 barrels of packed herring, a bottleneck developed on the Newfoundland Railway.

The railway was able to deliver only a few freight cars to Curling, on the Humber, where over 130,000 barrels of herring were waiting for shipment to Port aux Basques. Should this delay continue the scores of small and large packers in the Humber district face the threat of heavy losses. Buyers pay for fish when they are loaded in the cars.

In explanation the railway paraded out its stock excuse of the past 50 years—severe snow conditions on the Topsails, a problem which the Newfoundland Railway has never solved to the satisfaction of the Islanders, particularly those who ship to foreign markets.

• • •

### Frozen Fish Fillet Production Down

Newfoundland's fifteen freezing plants produced over 30 million pounds of frozen fish fillets in 1947, according to the Newfoundland Fisheries Board. This figure is made up of 28 million lb. of cod fillets; 1.5 million lb. of haddock, 148,000 lb. of rosefish together with smaller amounts of flounder, hake and halibut. These figures represent a decline of about one million pounds from the previous year.

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## Co-op Honey Packing Plant for Edmonton

**From Our Own Correspondent**

EDMONTON—Alberta's first co-operative honey-packing plant is to be erected here. The Alberta Honey Producers' Co-operative Ltd. has purchased property from the city for construction of a $20,000 plant, expected to handle about 500,000 lb. of honey this year. It will be shipped by about 1,000 beekeepers, in all parts of the province and will be packed for retail sale, mostly in Alberta. Alberta topped all other provinces in honey production last year.

• • •

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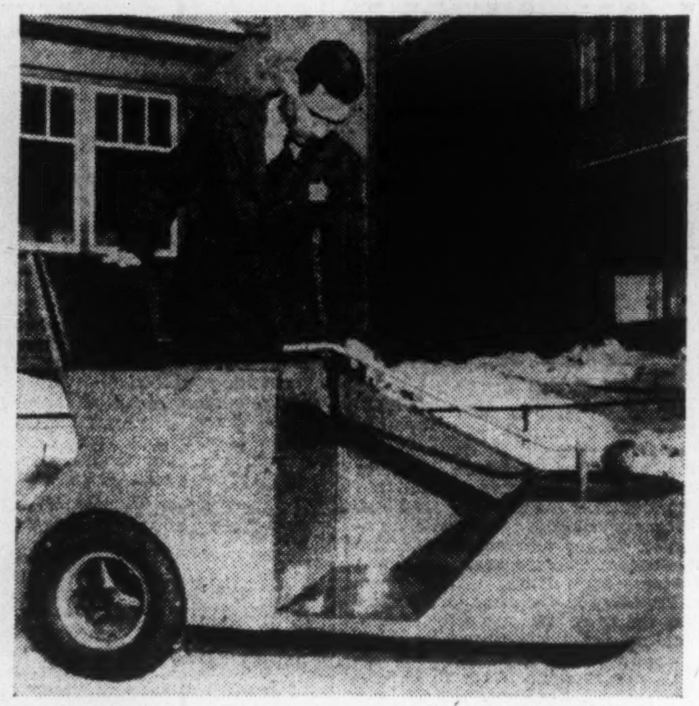

**Ease of operation and comfort were the first objectives of Orville E. Bamford of Ottawa when he started to design the "invalid car" which he is examining. Its success has encouraged the formation of a company to produce the cars in greater volume.**

# 'Invalid Car' for Friend Birth of New Industry

Inspired by the plight of a friend crippled with arthritis, a young Ontario mechanic and his Air Force veteran partner are now producing in Ottawa electrically-propelled "invalid cars" operated by the occupant.

Ormand E. Bamford, Highland Grove, Ont., designed and built the first car in 1944. Now, with Eric de Vroome, he has formed the Bamford-Regis Invalid Car Co., with a view to volume production of the new vehicle. To date, the two have built and sold four invalid cars.

Retail price at present is approximately $350, but is expected to be lower when quantity production gets under way. Material shortages and production problems, have, so far, limited output to custom-built machines.

The partners expect the new vehicle, on which they have applied for patents, will find a market among disabled veterans and many others. In Ottawa, Department of Veterans' Affairs officials said that disabled veterans of World War II are being encouraged to rely on artificial limbs, but felt that cases might develop, for which the car would afford a practical solution.

The "invalid car" is a compact, streamlined vehicle resembling a wheel-chair, with a single front wheel and two rear wheels, each rubber-tired. A long rod is attached to the front wheel for steering, and all controls are placed on one panel which can be installed on either side of the car.

The vehicle is five feet long, 22 inches wide, and weighs about 300 pounds. The ¼ h.p. motor produces the equivalent of two h.p. at the wheels and permits travel at a speed up to 10 miles an hour forward and four miles an hour in reverse. The car operates on a 12-volt battery, and will travel approximately 35 miles on level ground on each battery charge. Recharging is accomplished overnight by plugging the charger, incorporated into the car, into an ordinary 110-volt electric socket. Front and rear lights and horn complete the equipment.

**Sought to Aid Friend**

Bamford, 24, has tinkered all his life with farm machines and automobiles; became a machinist and certified mechanic, and had some knowledge of electricity. His greatest disappointment was that he had been turned down, for medical reasons, on eight applications to get into the Armed Services.

"I came to Ottawa on D-Day, 1944, to visit a friend who was confined to a wheel-chair with arthritis," he told The Financial Post. "My friend said the thing he wanted most was to be able to move around without aid from other people, and I told him I didn't see why it couldn't be done.

"With the idea of an electric car in my mind, I wrote to most of the Canadian and U.S. electrical motor manufacturers, but at that time I couldn't get any satisfaction from them. I dug up secondhand motor parts, and experimented until I found the combination of winding best suited to the purpose. An electrician wanted more than I could afford to pay, so I did the job myself."

Employed as a machinist by an Ottawa automotive supply company, Bamford did his work in the shop on an arrangement with the firm, buying the materials he needed; but a three-months' delay in delivery of suitable wheels, and a delay of almost six months in obtaining a suitable rheostat, held up his work.

After obtaining the 400 x 8 tires and wheels through a WPTB order, he designed the frame and constructed it in March, 1945, doing the sheet metal work himself on the 22-gauge steel body. The rheostat was imported from the United States, and the car was ready for its final test.

With the comfort of the occupant in mind, a four-inch foam rubber seat was added as the finishing touch, and on June 2, 1945, almost a year to the day from the origin of the idea, the first "invalid car" was delivered.

A prolonged illness forced Bamford to leave his work in the Ottawa machine shop. In Rosedale, Alta., on farm work regaining his health, he saw a movie which decided him on his effort at "mass production."

"I can't even remember the name of the picture," he told The Post, "but there was one scene in which the nurses were pushing patients around in wheelchairs. Before I left the theatre, I had decided to come back to Ottawa and try to do something about it."

When he returned to Ottawa early in 1946, Bamford found that the car he had turned out earlier was still operating perfectly. Its owner even attended the movies alone, regularly, in it.

In May, Bamford went into partnership with de Vroome. Material shortages and difficulty in securing suitable units for low-production-cost prices cropped up, but they persevered.

The frames are produced by the Ottawa Iron Works; the bodies are manufactured by J. R. Douglas of Ottawa, and the electric and assembly work is done by Bamford in the partners' garages, pending completion of negotiations for a small shop.

"This isn't really mass production, but we give the customer what he wants," Bamford commented. "For a big man in Hull, we're building a car two inches wider than usual. Also, we're making the arm above the seat removable, so that he can slide in while in a sitting position, and then the arm will lock in place. Then, also, we can adjust the foot-length and the back of the seat so that they will 'fit' the individual."

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This applies to coverage for fire or other hazards on property wherever situated, as well as accident and other protection for the individual wherever he may travel.

*Apply to any agent of the Company.*

FINANCIAL POSITION
DECEMBER 31; 1945
Assets
$16,015,082.00
Liabilities to the Public
$10,087,972.00
Capital
$1,400,000.00
Surplus above Capital
$4,527,110.00
Losses paid since organization
$145,045,361.00

*Head Office — TORONTO*
*Branches and Agencies throughout the World*

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2. Review the adequacy of your present insurance protection.

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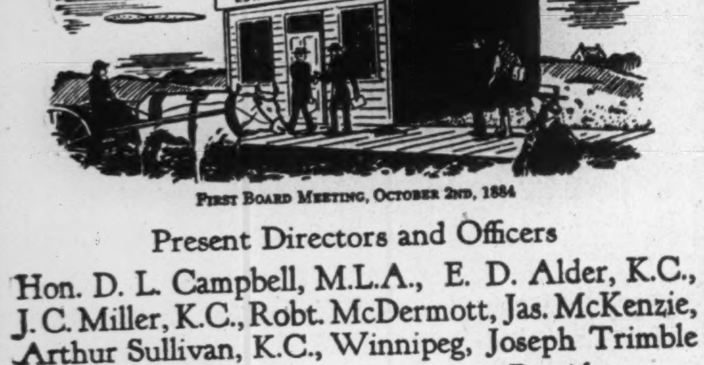
THE PORTAGE MUTUAL INSURANCE OFFICE ESTABLISHED—1884

FIRST BOARD MEETING, OCTOBER 2ND, 1884

Present Directors and Officers

Hon. D. L. Campbell, M.L.A., E. D. Alder, K.C., J. C. Miller, K.C., Robt. McDermott, Jas. McKenzie, Arthur Sullivan, K.C., Winnipeg, Joseph Trimble

| | |
|---|---|
| M. G. Tidsbury | President |
| E. H. Muir | Vice-President |
| A. G. Hall, A.I.I.A. | Treasurer |
| A. H. Thorpe | Manager |

EST. 1884

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MUTUAL INSURANCE COMPANY
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WINNIPEG · REGINA · EDMONTON
FIRE and WINDSTORM

# Life Insurance Company Officers Discuss Home and Foreign Problems

*Services given by life insurance companies, their investment problems, taxation and Canada's opportunities in foreign trade were among the topics discussed by life company executives at annual meetings recently.*

*Here are some of their comments:*

**C. P. FELL, president Empire Life Insurance Co.**

Last year bonds offered to Canadian investors including life insurance companies in the aggregate were only 44% of the total of the previous year, and of the 1946 corporate total of $578,000,000, no less than 80% was refunding.

These two facts explain in part the lower yields obtainable in 1946 on new investments for the life insurance companies.

The interest yield on new purchases of Dominion of Canada bonds now approximates 2.55%; on high-grade municipals 2⅝ to 3%, and on corporation bonds of the highest grade, 2.90-3.50%. If this condition prevails for any length of time, lower assumptions of average interest earnings in the future must be made if the business is to be carried on, on a sound, conservative and realistic basis.

Over the years the field of investments available for life insurance companies has been narrowing inexorably and the supply diminishing. . . .

It would appear to be sound policy on the part of government if some greater latitude were permitted in Canada in recognition of the more important place which this pool of savings (life insurance funds )represents in the sum total of annual investment potential, and of the Government's desire for private enterprise to take the initiative in making capital investment in plant and equipment.

• • •

**R. G. IVEY, president Northern Life Assurance Co. of Canada.**

In this period of transition, the life insurance business, measured by the increased protection created for its policyholders, has flourished to an extent not thought within reach a few years ago. A substantial proportion of the increased insurance sales is no doubt the result of greater protection required by our citizens due to the increased cost of living. . . .

The present retrogressive and burdensome tax structure has only been lightened in a very minor degree since the cessation of hostilities. It is still designed to meet the financial necessities of war, notwithstanding that we are now, and have been for more than a year, confronted with the new and different problems of peace. Devised in the stress of war . . . the burden of our present tax structure falls unevenly upon individual taxpayers and thus acts as a deterrent upon the growth and commencement of new enterprises which are so necessary if we are to continue to have full employment.

I refer particularly to the Excess Profits Tax . . . Both England and the United States have deemed it advisable to repeal their Excess Profits Tax Acts in order to encourage business and industry.

So that the tax burden may speedily be lightened, it is the duty and responsibility of the government to set an example in thrift and self-restraint.

• • •

**LOUIS L. LANG, president Mutual Life Assurance Co. of Canada.**

There are murmurs of a business depression of varying degrees of intensity during this year. One of the most effective ways to produce a depression is to talk about it in advance and thus create apprehensions which may or may not be well founded. On the other hand, it is wise to watch for storm signals and, while maintaining a constructive and hopeful attitude, to take such precautions as may be available or possible to counteract unforeseen events.

There is still an enormous and growing demand for goods and services all over the world. . . Germany, Japan and Italy are out of the international field, temporarily at least. The goods previously exported by these countries are still needed and Canada has the opportunity of competing for this trade with other countries.

Canadians should realize that, for better or worse, a form of world government is being set up and, although it is functioning imperfectly and slowly, it is in action. We are already being affected by its policies and actions and we shall be more involved as its powers and activities increase. We have assumed our share of what has been done to set up and to operate the United Nations Organization. Is it not important that we should continue to take an intelligent interest in this body. . . .

**H. W. MANNING, vice-president and managing director Great-West Life Assurance Co.**

Group insurance has experienced a remarkable growth in recent years, the total volume of protection in all companies having increased to twice the aggregate in force, in 1939. This may be attributed in part to evidence of a changing conception among employers of their obligations to their employees and recognition of the contribution made to the maintenance of satisfactory employer-employee relations by the establishment of benefit programs.

In any appraisal of what the future holds in store for life insurance, it seems timely to observe some of the reasons for the rapid growth of protection owned by the people of this Continent in recent years.

There are indications on every side of a desire on the part of all people for greater personal and family security and increasing recognition of the place that life insurance occupies in providing this security. Striking evidence of this during the past year has been the extent to which men and women returning to civilian life from the service of their country have been purchasers of new and additional life insurance protection.

Finally, the faith of the people of Canada and the United States in the fundamental soundness of the institution of life insurance is further strengthened with the passing of each year by the proven record of stewardship and service rendered throughout more than a century of operation.

• • •

**ARTHUR B. WOOD, president Sun Life Assurance Co. of Canada.**

The outstanding feature of the year 1946 is the substantial increase in the volume of new assurance written by the life companies in Canada, the United States and Great Britain. A high level of national income, well distributed, combined with a scarcity of consumer goods, and, the increase in the ranks of life underwriters following the return to civil life of men from war services, have been important contributory factors.

In the social fabric of our times annuity business plays an important part, and annuitants are quick to realize that the possession of a guaranteed annuity adds much to their comfort and peace of mind. That this is conducive to longevity is reflected in annuity experience. We now have 25,136 annuity contracts under which regular incomes are being paid, and it is of interest to note that 241 of our annuitants are between 90 and 100 years of age. Three have passed the century mark.

Mortality investigations reveal much interesting information. From these statistics we observe the great improvement that has been taking place in mortality rates for many years. . . . Using our own company's experience as an illustration, and taking the index figure 100 as representing our Company's death rate in the years just prior to World War I, we find that the comparable figure today is 70, an improvement of 30%. A closer analysis reveals that the improvement in mortality has been mainly at the young and middle ages, very little change having taken place at the advanced ages.

# Sask. Motor Insurance To Include Collision

## Government Plans to Broaden Coverage to Provide Benefits if Motorist Hits Tree – Will Extend Government Industrial Program

From Our Own Correspondent

REGINA—Widening of coverage under Saskatchewan's Automobile Accident Insurance Act to include collision benefits and investigation of the distribution and sale of natural gas as a public utility were among the new measures forecast in the throne speech at the opening of the fourth session of Saskatchewan's 10th Legislature.

The speech indicated, too, that a new Crown Corporation Act to expand the Government's industrial program would be introduced; the manufacture of rock wool as a public enterprise would be started; and that there would be a reduction of working hours in "certain types of businesses."

Other new measures forecast were: A Co-operative Guarantee Act to guarantee a fixed proportion of loans made to co-operative societies; an Act to empower the Government to exercise certain economic or price controls should the Dominion Government abandon controlled fields; a Bill of Rights Act aimed at guaranteeing civil liberties; cancellation of debts totalling more than $21 millions on seed grain advances made in 1935, 1936 and 1937; an amendment to the Hospitalization Act to provide greater flexibility of administration, a more even distribution of costs and assistance to hospitals in sparsely populated areas.

### Adjust Compulsory Fees

The changes in automobile accident insurance benefits will carry with them an adjustment of the compulsory fees now paid by each vehicle licensee. These range from $5 per passenger car to $400 for public service vehicles. The new plan is to charge a compulsory fee on a sliding scale according to wheel base measurements and the type of car.

Broadening of the Act to include collision benefits along with existing personal injury and death benefits will provide for damage to a car. The collision will not necessarily have to involve two cars. Benefits would be paid if a car collided with a tree or other immovable object, though property damage is not covered.

Recently the Government announced it would show a surplus of $750,000 from its compulsory accident insurance this year. This will be turned over to the fund to be set up to provide for collision coverage.

In addition to investigating the distribution and sale of natural gas as a public utility the Government is establishing an experimental oil-refining plant at Regina. The purpose of this is to test a process for refining gasoline from Saskatchewan oils. Recently a gas committee was set up which is now carrying out research and gathering statistics on the province's natural gas and oil potential.

The Crown Corporations Act would provide for an industrial development fund which will be available to stimulate "other industrial enterprises" as well as government-owned projects. Purpose of the economic legislation is to enable the Government, between sessions, to impose controls over prices of services, retail prices and rentals, should the Dominion withdraw entirely from any of these fields.

The rock wool plant would use Saskatchewan boulders. It would likely be established in the northern part of the province.

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**THE LAURENTIAN LIFE ASSURANCE CO.** reports a gain of 32.3% in total business in force to $32.5 millions, on Dec. 31. Assets, income and new insurance were also higher. The company, incorporated in 1938, with head office Levis, Que., is licensed in Ontario, Quebec and New Brunswick.

| | 1946 | 1945 |
|---|---|---|
| Insur. in force .... | $32,546,745 | $24,597,661 |
| New insurance ..... | 8,922,575 | 6,631,534 |
| Receipts ........... | 808,731 | 601,512 |
| Assets ............. | 1,817,099 | 1,368,250 |
| Policy reserves .... | 1,287,521 | 893,017 |

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LIMITED
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This well-known "Tariff" Institution was organized with British capital in 1835 by a group of British traders to provide financial protection against the hazards of overseas shipping between the Far East, the United Kingdom and other countries.

The operations of those early days have gradually widened, so that now, in addition to Marine Insurance, the "Union of Canton" underwrites Fire, Burglary, Accident, Sickness, Automobile, Public Liability, Fidelity and Surety Bonds — virtually every form of insurance (other than life) — and conducts business in almost every part of the world.

Adhering closely to sound insurance practices and ethics, operating on "Tariff" principles and working with other "Tariff" companies to maintain improved standards of fire and accident prevention, this British-born institution is known for its equitable rates and prompt settlements.

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COMPANIES OF THE "UNION OF CANTON" GROUP
*British Traders Insurance Company Limited - The British Oak Insurance Company Limited - Beaver Fire Insurance Company*
*Also under same management in Canada: The South British Insurance Company Limited* 308

Sun Life of Canada

SEVENTY-SIXTH YEAR OF SERVICE TO THE PUBLIC

THE Balance Sheet of Canada's largest life assurance company reveals 1946 as one of the most progressive periods since the Company issued its first policy 76 years ago, but figures alone tell little of the human story behind this great co-operative enterprise. For example, last year over $100 million was disbursed in benefits to policyholders and beneficiaries. Of this amount, $31 million was paid in Death Benefits, bringing financial security to widows and children in thousands of homes. Another $30 million was paid in Endowments, furnishing for many the cash or life income necessary to carry out long-cherished plans. $14 million was distributed in Annuities and Pensions, while a further $14 million was paid out in Dividends, reducing the cost of assurance for the Company's million participating policyholders.

During 1946 New Assurances amounted to $348,155,491, bringing total Assurances in Force to $3,573,132,753. Total Benefits paid to policyholders and beneficiaries since the first Sun Life policy was issued in 1871 now amount to $1,919,999,149.

FINANCIAL STATEMENT AS AT DECEMBER 31, 1946

*ASSETS*

| | |
|---|---|
| Government, municipal, public utility and other bonds | $1,043,766,268.35 |
| Preferred and guaranteed stocks | 33,762,795.66 |
| Common stocks | 83,956,373.69 |
| Loans on real estate, first mortgage | 63,344,821.41 |
| Real estate (including Company's buildings) | 16,577,019.29 |
| Loans on Company's policies | 55,136,099.67 |
| Outstanding and deferred premiums | 19,405,945.00 |
| Interest and rents due and accrued | 9,939,146.28 |
| Cash | 14,843,226.75 |
| Other assets | 2,401,278.56 |
| | $1,343,132,974.66 |

*LIABILITIES*

| | | |
|---|---|---|
| Reserves on assurances | $833,701,218.00 | |
| Reserves on annuities | 227,506,338.00 | |
| | | $1,061,207,556.00 |
| Policy proceeds and other amounts left with the Company at interest | | 124,905,316.38 |
| Amounts set aside for Company retirement plans | | 20,218,487.16 |
| Death claims reported for which proofs had not been received prior to December 31st | | 10,742,052.00 |
| Provision for unreported claims | | 4,021,976.00 |
| Matured endowments, annuity and dividend payments awaiting discharge | | 8,256,369.07 |
| Miscellaneous liabilities | | 6,304,529.48 |
| Commissions, medical fees, taxes, etc., due and accrued | | 5,844,770.43 |
| Dividends contingently allotted to deferred and five-year dividend policies | | 2,887,921.77 |
| Dividends payable to policyholders during balance of dividend year | | 4,714,279.74 |
| Miscellaneous reserves | | 4,227,675.00 |
| Shareholders' account | | 2,478,961.57 |
| Capital | $ 2,000,000.00 | |
| Contingency reserve | 15,000,000.00 | |
| Surplus | 70,323,080.06 | |
| | | 87,323,080.06 |
| | | $1,343,132,974.66 |

SUN LIFE ASSURANCE COMPANY OF CANADA

*Branch Offices throughout CANADA, the UNITED STATES and the BRITISH ISLES. Also in Bombay, Buenos Aires, Cairo, Calcutta, Cape Town, Colombo, Durban, Havana, Hong Kong, Johannesburg, Lahore, Madras, Malta, Manila, Singapore, and throughout the West Indies.*

Seventy-Fifth Annual Financial Statement

The Economical Mutual Fire Insurance Company

*FOR THE YEAR ENDING DECEMBER 31st, 1946*

ASSETS

| | |
|---|---|
| Book Value of Real Estate owned or held for sale | $ 29,500.00 |
| Mortgage Loans on Real Estate, first liens | 420,697.03 |
| Agreements for Sale | 5,325.51 |
| Book Value of Bonds and Debentures owned | 3,527,119.58 |
| Book Value of Stocks owned | 206,565.82 |
| Cash on hand and in banks | 138,700.37 |
| Interest and Dividends due and accrued | 33,944.00 |
| Agents' balances written on or after October 1, 1946 | 227,361.71 |
| Amount due from reinsurance on losses already paid | 42,046.17 |
| Accounts Receivable | 1,186.66 |
| | $4,632,446.85 |

LIABILITIES

| | |
|---|---|
| Total provision for unpaid claims | $ 230,451.27 |
| Total net reserve carried out at 80% | 844,707.92 |
| Reserve and unpaid claims under unlicensed reinsurance unsecured | 22,317.24 |
| Agency and other expenses, due and accrued | 24,771.98 |
| Taxes due and accrued | 48,855.27 |
| Reinsurance balances | 41,553.81 |
| Reserve for loss on investments | 50,000.00 |
| Reserve for return of premiums | 2,815.54 |
| | $1,265,473.03 |
| Surplus for protection of policyholders | 3,366,973.82 |
| | $4,632,446.85 |

HENRY KNELL, President W. W. FOOT, General Manager

Head Office: Kitchener, Ontario

# THE WEEK'S QUOTATIONS

## Montreal and Toronto Winnipeg, Calgary and Vancouver

Quotations here listed are the official stock exchange prices for listed stocks including curb market quotations. For unlisted stocks, quotations by unlisted dealers are given. The Financial Post cannot accept any responsibility for these quotations.

WEEK ENDING FEBRUARY 7

| Range 1946-47 High | Low | Div. R'te $ | Feb.7 Y'ld % | | Sales | Last Jan. 31 | Week end. Feb. 7 H | L | Cl'se |
|---|---|---|---|---|---|---|---|---|---|
| 22¾ | 14 | | ... | Abitibi n. | 14282 | 19¾ | 21 | 19¾ | 21 |
| 21½ | 15 | | ... | Do. $1.50 pf n | 18442 | 21½ | 21¾ | 21 | 21¾ |
| 41 | 34¾ | | ... | Do. $2.50 pf n | 805 | 40 | 41 | 40 | 41 |
| 24 | 19 | 1.00 | 4.4 | Acadia Atlan A | 570 | 22¾ | 22½ | 22½ | 22¾ |
| 107 | 103 | 5.00 | 4.7 | Do. 5% pref. | 55 | 106½ | 107 | 106 | 106 |
| 12 | 7 | | ... | Acme Glove | 175 | 9½ | 9½ | 9½ | 9½ |
| 41½ | 28 | ♦.50 | ... | Agnew Surp. | 325 | 32½ | 32¾ | 32½ | 32¾ |
| 30 | 18 | | ... | Algoma Steel | 7225 | 28 | 30 | 26½ | 28¾ |
| 103 | 99½ | 5.00 | 4.9 | Do. pref. | 50 | 103 | 101¾ | 101¾ | 101¾ |
| 27½ | 28 | 1.00 | 3.9 | Alum of Can p | 326 | 26¾ | 26¾ | 26½ | 26¾ |
| 230 | 129½ | 8.00 | 4.1 | Aluminium | 160 | 2?? | 205 | 202 | 204 |
| 23 | 13 | ♦▪1.00 | ... | Andian Nat. | 50 | 13 | 13 | 13 | 13 |
| 12 | 6¾ | .40 | 4.9 | Argus | 1870 | 8¼ | 8¾ | 8¼ | 8¼ |
| 102 | 92 | 4.50 | 4.7 | Do. 4½% pf. | 378 | 94¾ | 95 | 93 | 95 |
| 3.62½ | 1.00 | | ... | Do. Warr. | 1550 | 1.60 | 1.60 | 1.50 | 1.50 |
| 35 | 23 | .80+.60▪‡ | | Asbestos | 4053 | 30½ | 31 | 29 | 29¾ |
| 18 | 12½ | .60 | 4.3 | Ashdown Hdwe | 200 | 14¾ | 14¾ | 14 | 14 |
| 11¾ | 8¼ | .60 | 5.2 | Atlas Steels | 1140 | 11¾ | 11¾ | 11½ | 11¾ |
| 107 | 104 | 5.50 | 5.1 | Ault & Wiborg | 10 | 107 | 107 | 107 | 107 |
| 5 | 3½ | | ... | Fleet Mfg. | 10305 | 4¾ | 4¾ | 4½ | 4¾ |
| 4.00 | 1.50 | | ... | Fleury Bissell | 40 | 4.00 | 3.00 | 3.00 | 3.00 |
| 50 | 22½ | | ... | Do. pref. | 80 | 41 | 50 | 45 | 50 |
| 22¾ | 18 | • | ... | Ford Motor A | 7615 | 21 | 21¾ | 21 | 21¾ |
| 34 | 24 | 1.40 | 5.8 | Foundation Co. | 167 | 24 | 24½ | 24 | 24 |
| 75½ | 43 | 2.00 | 3.8 | Fraser Cos. | 1350 | 51¾ | 53 | 51 | 53 |
| 100½ | 98 | 4.50 | 4.6 | Freiman, pref. | 30 | 99½ | 98½ | 98½ | 98½ |
| 20 | 13½ | .90+♦.10 | | Gatineau Pwr. | 824 | 18 | 19 | 18 | 18 |
| 111½ | 105 | 5.00 | 4.6 | Do. pref. | 99 | 110 | 110½ | 109 | 110 |
| 111 | 106 | 5.50 | 5.1 | Do. 5½% | 16 | 110¾ | 110 | 108 | 108 |
| 7¾ | 3½ | | | Gen. Bakeries | 2285 | 5 | 5 | 4¾ | 5 |
| 20¾ | 15¼ | .80 | 4.4 | Gen. St. Wares | 960 | 18 | 18½ | 17¾ | 18 |
| 109½ | 104 | 5.00 | 4.7 | Do. pref. | 82 | 105½ | 108½ | 106 | 106 |
| 113 | 102 | 4.00 | 3.8 | Goodyear Tires | 145 | 108 | 106 | 105 | 106 |
| 57 | 52½ | 2.00 | 3.7 | Do. pref. | 130 | 55½ | 55 | 54½ | 54½ |

| Range 1946-47 High | Low | Div. R'te $ | Feb.7 Y'ld % | | Sales | Last Jan. 31 | Week end. Feb. 7 H | L | Cl'se |
|---|---|---|---|---|---|---|---|---|---|
| 12½ | 10¾ | .50 | 4.3 | Gord McKay A | 130 | 11¾ | 11¾ | 11¾ | 11¾ |
| 25½ | 15½ | .50+♦.50 | | Do. (B) | 420 | 24¾ | 25½ | 24¾ | 25 |
| 22 | 20 | 1.00 | 4.8 | Grafton, A. | 25 | 21 | 21 | 21 | 21 |
| 35 | 15 | | ... | Gt. Lakes Pap. | 16026 | 28½ | 34½ | 28¾ | 32 |
| 78½ | 42 | 2.50 | 3.3 | Do. (A) | 6657 | 70 | 78½ | 70½ | 76 |
| 15½ | 9 | | ... | Gt W Saddlery | 100 | 10½ | 12 | 12 | 12 |
| 54½ | 47 | 3.00 | 5.6 | Do. pref. | 25 | 54 | 54 | 54 | 54 |
| 7 | 4½ | .20 | 3.8 | Greening Wire. | 1160 | 5½ | 5½ | 5 | 5½ |
| 18½ | 12½ | .80 | 5.0 | Gypsum, Lime. | 2470 | 15¾ | 16½ | 15¾ | 16 |
| 22 | 18¾ | 1.00 | 5.1 | Hahn Bros. pf. | 50 | 19½ | 19½ | 19½ | 19½ |
| 21½ | 16¾ | .80 | 4.2 | Halifax Fire | 25 | 18¾ | 19 | 19 | 19 |
| 14½ | 6½ | | ... | Ham. Bridge | 3732 | 8½ | 9 | 8½ | 9 |
| 16½ | 9¾ | ♦.20 | ... | Harding Carpet | 875 | 10½ | 10½ | 10½ | 10½ |
| 39 | 20½ | ▪.50 | ... | Hayes Steel | 1070 | 24 | 30 | 24 | 28 |
| 25½ | 19½ | 100 | 4.4 | Hinde & Dauch | 1075 | 21 | 23 | 21 | 23 |
| 38 | 20½ | 1.00 | 3.4 | H. mith Pap. | 400 | 28½ | 29¾ | 28½ | 29¾ |
| 54 | 51 | 2.00 | 3.8 | Do. pref. | 60 | 53 | 53 | 53 | 53 |
| 15 | 9¾ | ♦.20 | ... | Hunts (A) new | 60 | 11¾ | 11¾ | 11½ | 11½ |
| 114 | 13½ | 4%+4½% | 3.7 | Hur. & EM | 35 | 109 | 114 | 110 | 110 |
| 8 | 3½ | | ... | Hydro Electric. | 925 | 4 | 4½ | 4 | 4½ |
| 15½ | 9¼ | .80 | 5.3 | West Brew | 202 | 15 | 15 | 15 | 15 |
| 3.00 | 1.00 | | ... | West Grain | 550 | 2.12½ | 2.00 | 2.00 | 2.00 |
| 20 | 18 | 3.00 | 10.3 | West Grocers | 290 | 27½ | 29 | 27 | 29 |
| 44¾ | 30 | 1.40 | 4.0 | Do. pref. | 225 | 37 | 35½ | 35 | 35½ |
| 38½ | 33½ | 1.50 | 3.3 | Do. (A) | 445 | 37½ | 38 | 37½ | 37¾ |
| 30 | 22 | 1.00 | 4.0 | Westeel | 300 | 24 | 25 | 24 | 25 |
| 16¾ | 16½ | .50 | 3.0 | Westminster P | 50 | 16½ | 16¾ | 16¾ | 16¾ |
| 36¾ | 22 | .80 | 2.6 | Weston George | 1340 | 30½ | 31 | 30½ | 31 |
| 108½ | 103¾ | 4.50 | 4.2 | Do. 4½% pf. | 13 | 108 | 107 | 106 | 107 |
| 8.50 | 2.10 | | ... | Willson Stat. | 25 | 7.50 | 7.00 | 7.00 | 7.00 |
| 27 | 22 | 1.00 | 4.4 | Wilsils | 68 | 22 | 22½ | 22 | 22½ |
| 14½ | 11 | | ... | Windsor Hotel | 42 | 13½ | 13½ | 13½ | 13½ |
| 21¾ | 10 | ▪.50 | ... | Winnipeg El. A | 8110 | 14½ | 16¾ | 14 | 16 |
| 105 | 94½ | 5.00 | 5.1 | Do. pref. | 100 | 97½ | 99 | 97½ | 98 |
| 135 | 117 | 7.00 | 5.4 | Wood, A & J p | 20 | 125 | 130 | 130 | 130 |

| Range 1946-47 High | Low | Div. R'te $ | Feb.7 Y'ld % | | Sales | Last Jan. 31 | Week end. Feb. 7 H | L | Cl'se |
|---|---|---|---|---|---|---|---|---|---|
| 56 | 39½ | 2.00 | 3.7 | Woods Manuf. | 100 | 53 | 54 | 54 | 54 |
| 29 | 22 | 1+♦.50‡ | | Wool Combing. | 100 | 25½ | 25½ | 25½ | 25½ |
| 19 | 13½ | .40 | 2.7 | York Knitting | 555 | 14¾ | 15 | 14 | 15 |
| 45 | 34 | 1.00 | 2.7 | Zellers | 125 | 37 | 37½ | 37 | 37½ |
| 30½ | 25½ | 1.50 | 5.3 | Do. 6% pref. | 80 | 27½ | 27¾ | 27¾ | 27¾ |

†Paid in 1944. *Paid in 1945. ▪Paid in 1946. ♦N. Y. funds. ‡Extra. xOn arrears. ♦Paid or payable in 1947. §Net after income taxes. •Dividend deferred.

## Mining Stocks

Week Ending February 7

| Range 1946-47 High | Low | Div. Rate $ | Feb. 7 Yield % | Company | Sales | Last Jan. 31 | Week Ending Feb. 7 High | Low | Close |
|---|---|---|---|---|---|---|---|---|---|
| 1.85 | .80 | | | Akaitcho | 10,900 | 1.30 | 1.35 | 1.26 | 1.35 |
| 26.76½ | 13.00 | §.18 | .... | Lake Shore | 2,045 | 15.00 | 15.50 | 14.75 | 15.12½ |
| 1.25 | 1.10 | ..... | .... | Lake Wasa | 12,350 | 1.15 | 1.16 | 1.10 | 1.15 |
| 8.00 | 3.90 | ..... | .... | La Luz | 200 | 4.25 | 4.00 | 3.90 | 4.00 |
| 8.75 | 5.50 | §.02½ | .... | Lamaque | 6 | 6.25 | 6.50 | 6.50 | 6.50 |
| .22 | .07 | ..... | .... | Lapa Cad. | 6,100 | .13 | .12 | .11 | .11 |
| .71 | .25 | ..... | .... | Lapaska | 120,300 | .47 | .49 | .43 | .43 |
| .17 | .10 | ..... | .... | Larder "U" | 40,000 | .10 | .12 | .10 | .11 |
| .09 | .02 | ..... | .... | Lebel Oro. | 12,800 | .04 | .04 | .03½ | .03½ |
| 1.55 | 1.20 | .08 | 6.1 | Leitch Gold | 3,250 | 1.35 | 1.38 | 1.31 | 1.31 |
| .37 | .18 | ..... | .... | Lexindin | 7,700 | .30 | .31 | .30 | .31 |
| 1.46 | .68 | ..... | .... | Lingman L. | 131,300 | 1.10 | 1.25 | 1.10 | 1.22 |
| 1.42 | .12 | ..... | .... | Lingside | 29,800 | .14 | .22 | .15 | .15 |
| 3.48 | 1.50 | §.04 | .... | Little L.L. | 14,810 | 2.15 | 2.40 | 2.10 | 2.30 |
| 4.40 | 1.00 | ..... | .... | Louvicourt. | 92,985 | 3.25 | 3.60 | 3.20 | 3.45 |
| .86 | .25 | ..... | .... | Lunward | 15,100 | .35 | .35 | .30 | .30 |

## Oil Stocks

| Range 1946-47 High | Low | Div. Rate $ | Feb. 7 Yield % | Company | Sales | Last Jan. 31 | Week Ending Feb. 7 High | Low | Close |
|---|---|---|---|---|---|---|---|---|---|
| 2.80 | 1.45 | ‡.25 | .... | Foothills | 7,750 | 2.30 | 2.50 | 2.25 | 2.50 |
| .03 | .01 | ..... | .... | Freehold | 1,425 | .01½ | .03 | .02 | .02 |
| 1.00 | .50 | ..... | .... | Gaspe | 2,000 | .70 | .60 | .60 | .60 |
| .14½ | .05½ | ..... | .... | High Sarcee. | 9,200 | .09 | .10 | .08 | .10 |
| 4.40 | 2.00 | ‡.15 | .... | Home | 10,061 | 3.10 | 3.35 | 3.10 | 3.35 |
| .11 | .04½ | ..... | .... | Homestead | 278,600 | .05 | .06 | .05 | .05½ |
| .03½ | .00½ | ..... | .... | Lethbridge. | 1,800 | .01 | .01 | .00½ | .01 |
| .40 | .25 | ..... | .... | Lowrey | 250 | .35 | .36 | .36 | .36 |
| .14 | .05 | ..... | .... | McD. Segur. | 7,110 | .06½ | .08 | .06 | .08 |
| .08 | .03 | ..... | .... | McLeod | 440 | .04½ | .04½ | .04½ | .04½ |
| .11 | .04 | ..... | .... | Mercury | 4,800 | .05½ | .06 | .05 | .06 |
| .17 | .05 | ..... | .... | Midcont. | 152,500 | .07 | .11 | .06 | .10 |
| .13 | .05 | ..... | .... | Mill City | 100 | .05½ | .05 | .05 | .05 |
| .26 | .16 | ‡.02 | .... | Model | 2,200 | .18 | .19½ | .19 | .19½ |
| .20½ | .10 | ‡.01 | .... | Nat Pete. | 25,000 | .14 | .15½ | .13 | .15½ |
| .07 | .03½ | ..... | .... | Oil Select | 1,500 | .05 | .05 | .05 | .05 |
| .90 | .25 | ..... | .... | Okalta | 13,750 | .45 | .60 | .43 | .55 |
| .18 | .05 | ..... | .... | Pacalta | 10,500 | .07 | .08 | .06 | .08 |
| 1.65 | .34 | ‡.10 | .... | Pac. Pete. | 16,200 | 1.00 | 1.14 | .98 | 1.13 |
| .05½ | .02 | ..... | .... | Phillips P. | 20,000 | .02½ | .02½ | .02½ | .02½ |
| .12 | .07 | ..... | .... | Princess P. | 3,500 | .09 | .10 | .10 | .10 |
| .02½ | .01 | ..... | .... | Richfield | 400 | .01½ | .01½ | .01½ | .01½ |
| 1.87 | .40 | ..... | .... | Roxana | 14,[illegible] | .67 | .70 | .68 | .70 |
| .05½ | .03 | ..... | .... | Royal Can. | 26,000 | .04½ | .05 | .04½ | .05 |
| 25.50 | 14.00 | 1.00 | 5.1 | Royalite | 1,265 | 16.00 | 19.50 | 16.50 | 19.50 |
| .03½ | .02 | †.01 | .... | Share Roy | 1,700 | .03 | .03 | .03 | .03 |
| .40 | .16 | ..... | .... | So. West Pete | 500 | .22 | .29 | .29 | .29 |
| .14 | .06½ | ..... | .... | Spooner | 55 | .08 | .07½ | .07½ | .07½ |
| .10½ | .05½ | ..... | .... | Sunset | 3,800 | .08 | .07½ | .07½ | .07½ |
| .25 | .20 | ..... | .... | Superior | 2,000 | .22 | .24 | .23½ | .24 |
| .14½ | .05½ | ..... | .... | United Oils. | 4,675 | .07½ | .08 | .06½ | .08 |
| .40 | .16 | ..... | .... | Vulcan | 255 | .18 | .19 | .17 | .18 |

* Paid in 1944. * N.Y. Funds. † Paid in 1945. z Extra. ▪ Sup. appl. F.E.C.B. ‡ Paid in 1946. ‡ Capital Repayment. ♦ Dividend deferred. § Paid or payable in 1947

## Volume of Stock Sales

| | Montreal | Toronto | Vancouver | New York |
|---|---|---|---|---|
| Feb. 10 | 455,300 | 2,477,000 | 259,105 | 1,860,000 |
| Feb. 8 | ...... | ........ | ...... | 1,290,000 |
| Feb. 7 | 425,700 | 2,314,000 | 195,102 | 2,840,000 |
| Feb. 6 | 241,600 | 2,156,000 | 81,225 | 1,650,000 |
| Feb. 5 | 370,200 | 3,174,000 | 56,498 | 1,620,000 |
| Feb. 4 | 443,200 | 3,300,000 | 60,562 | 1,880,000 |

## Significant Investors' Index Numbers

| | Mach. and equip. | Pulp and paper | Milling | Oils | Textiles and clothing | Food and allied prod. | Bevreges | Bldg. mater. | Power and traction | Banks | Total utilities | Total co's. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| No. of Securities | 10 | 8 | 4 | 4 | 9 | 13 | 8 | 16 | 14 | 8 | 18 | 100 |

(Base 1935-39=100)

| | Mach. and equip. | Pulp and paper | Milling | Oils | Textiles and clothing | Food and allied prod. | Bevreges | Bldg. mater. | Power and traction | Banks | Total utilities | Total co's. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| *1935 to date: | | | | | | | | | | | | |
| High | 210.2 | 267.0 | 149.7 | 123.7 | 214.4 | 138.5 | 447.0 | 168.5 | 146.2 | 136.3 | 140.9 | 136.1 |
| Low | 60.7 | 51.6 | 61.2 | 41.3 | 78.4 | 73.5 | 79.2 | 66.7 | 60.2 | 60.0 | 65.2 | 61.1 |
| 1946: | | | | | | | | | | | | |
| Monthly Figures: | | | | | | | | | | | | |
| Jan. | 169.2 | 252.6 | 120.6 | 90.0 | 183.7 | 127.8 | 357.6 | 149.0 | 125.7 | 121.6 | 148.6 | 123.5 |
| Feb. | 172.9 | 248.5 | 132.1 | 84.8 | 187.6 | 130.3 | 334.0 | 150.5 | 122.7 | 126.8 | 146.0 | 121.8 |
| Mar. | 189.2 | 244.6 | 150.6 | 81.6 | 196.8 | 129.0 | 327.8 | 148.6 | 121.7 | 129.2 | 142.4 | 119.2 |
| Apr. | 207.0 | 177.2 | 141.4 | 84.6 | 200.2 | 134.6 | 353.8 | 160.6 | 124.8 | 133.6 | 145.4 | 125.1 |
| May | 205.7 | 278.3 | 140.8 | 74.7 | 208.3 | 136.6 | 410.6 | 164.0 | 117.3 | 134.2 | 140.7 | 124.4 |
| June | 202.1 | 282.5 | 141.7 | 73.1 | 210.3 | 136.4 | 410.3 | 167.0 | 110.0 | 135.0 | 138.4 | 123.3 |
| July | 190.0 | 266.1 | 140.0 | 71.8 | 206.4 | 134.0 | 430.2 | 157.3 | 109.8 | 135.3 | 132.2 | 119.1 |
| Aug. | 187.6 | 268.6 | 139.4 | 70.8 | 207.9 | 129.9 | 430.5 | 154.1 | 109.9 | 132.3 | 130.3 | 116.9 |
| Sept. | 162.7 | 238.4 | 122.6 | 64.9 | 190.5 | 123.7 | 349.2 | 137.1 | 103.7 | 124.1 | 118.8 | 104.4 |
| Oct. | 166.0 | 233.3 | 123.0 | 63.2 | 182.1 | 122.8 | 330.9 | 133.9 | 103.8 | 124.7 | 114.1 | 101.8 |
| Nov. | 173.7 | 235.1 | 122.7 | 63.1 | 180.7 | 121.0 | 314.3 | 134.9 | 107.5 | 129.8 | 115.2 | 102.5 |
| Dec. | 180.2 | 250.0 | 123.9 | 63.6 | 181.8 | 123.3 | 317.1 | 138.4 | 110.3 | 122.5 | 118.3 | 106.4 |
| 1947: | | | | | | | | | | | | |
| Weekly Figures: | | | | | | | | | | | | |
| Jan. 2 | 181.8 | 254.1 | 123.6 | 62.8 | 182.9 | 124.0 | 311.6 | 139.9 | 110.1 | 133.3 | 118.2 | 106.6 |
| Jan. 9 | 181.8 | 256.5 | 126.4 | 64.0 | 183.6 | 125.0 | 311.0 | 142.4 | 110.9 | 134.2 | 119.8 | 107.7 |
| Jan. 16 | 178.1 | 248.3 | 123.5 | 62.7 | 180.3 | 123.9 | 295.9 | 140.2 | 107.0 | 132.9 | 115.7 | 104.3 |
| Jan. 23 | 178.7 | 252.5 | 123.5 | 62.9 | 183.4 | 122.3 | 306.1 | 142.7 | 107.4 | 132.8 | 116.9 | 106.0 |
| Jan. 30 | 181.0 | 257.6 | 126.1 | 62.3 | 184.0 | 124.9 | 300.8 | 142.8 | 107.2 | 132.4 | 118.4 | 106.7 |
| Feb. 6 | 184.7 | 266.3 | 125.9 | 65.4 | 185.6 | 127.7 | 306.7 | 145.6 | 107.7 | 133.9 | 119.6 | 108.6 |

*High and low for years from 1935 to date inclusive are based on weekly figures issued by Dominion Bureau of Statistics.

### Toronto Stock Exchange Index

| | 20 Indust. | 20 Golds | 10 B.M. | 15 W.O. |
|---|---|---|---|---|
| Feb. 10 | 183.25 | 114.35 | 96.14 | 27.34 |
| Feb. 8 | ..... | ..... | ..... | ..... |
| Feb. 7 | 183.66 | 114.22 | 95.33 | 26.36 |
| Feb. 6 | 180.62 | 113.56 | 94.56 | 24.31 |
| Feb. 5 | 179.43 | 113.40 | 95.28 | 24.05 |
| Feb. 4 | 179.24 | 110.89 | 93.43 | 23.83 |
| Month ago | 180.30 | 113.08 | 85.89 | 22.57 |
| Year ago | 190.93 | 147.18 | 106.60 | 32.69 |
| 1946-47 High | 207.83 | 147.31 | 108.20 | 33.69 |
| 1946-47 Low | 167.06 | 91.36 | 76.13 | 20.12 |

### Montreal Stock Exchange Averages

| | 10 Util. | 20 Ind. | 20 Comb. | 10 Pprs. | 15 Golds |
|---|---|---|---|---|---|
| Feb. 10 | 77.3 | 129.3 | 112.0 | 361.92 | 76.47 |
| Feb. 8 | ... | .... | .... | ..... | ..... |
| Feb. 7 | 76.9 | 128.7 | 111.4 | 361.26 | 75.27 |
| Feb. 6 | 76.6 | 127.1 | 110.3 | 354.88 | 74.71 |
| Feb. 5 | 76.6 | 126.2 | 109.6 | 353.28 | 74.78 |
| Feb. 4 | 76.2 | 126.0 | 109.4 | 351.09 | 73.73 |
| Month ago | 76.3 | 123.8 | 108.0 | 340.04 | 70.96 |
| Year ago | 79.0 | 131.1 | 115.7 | 328.50 | 116.73 |
| 1946-47 H. | 83.9 | 149.4 | 126.7 | 410.80 | 118.56 |
| 1946-47 L. | 71.3 | 115.7 | 101.0 | 280.76 | 68.83 |

### Dow-Jones Closing Stock Averages

| | 30 Indust. | 20 Rails | 15 Util. | 65 Stocks |
|---|---|---|---|---|
| Feb. 10 | 183.57 | 52.55 | 37.32 | 66.57 |
| Feb. 8 | 184.49 | 53.42 | 37.55 | 67.10 |
| Feb. 7 | 183.74 | 53.34 | 37.31 | 66.91 |
| Feb. 6 | 181.87 | 52.16 | 37.07 | 65.94 |
| Feb. 5 | 182.53 | 51.73 | 36.97 | 65.99 |
| Feb. 4 | 182.28 | 51.60 | 36.92 | 65.85 |
| Month ago | 172.49 | 47.77 | 35.83 | 62.23 |
| Year ago | 201.14 | 65.11 | 40.00 | 75.12 |
| 1946-47 High | 212.50 | 68.31 | 43.74 | 79.44 |
| 1946-47 Low | 164.20 | 45.69 | 33.47 | 59.64 |

## Dividends Declared

| | This payment $ | Date payable | Date of record |
|---|---|---|---|
| Acadia-Atla. Sug. A | .25 | Apr. 1 | Mar. 10 |
| Do., 5% pf. | 1.25 | Mar. 15 | Feb. 20 |
| Agnew-Surpass | .50 | Mar. 1 | Jan. 31 |
| Aluminium | 2.00 | Mar. 5 | Feb. 27 |
| Aluminum Co. | .25 | Mar. 1 | Jan. 29 |
| Anglo-Can. Tel., A | .15 | Mar. 1 | Feb. 10 |
| Argus | *.10 | Mar. 1 | Jan. 31 |
| Do., pf. | 1.12½ | Mar. 1 | Jan. 31 |
| Aunor Gold | .05 | Mar. 1 | Feb. 7 |
| Bank of Montreal | .20 | Mar. 1 | Jan. 31 |
| Bank of Toronto | .30 | Mar. 1 | Feb. 15 |
| Banque Can. Nat. | .17½ | Mar. 1 | Feb. 15 |
| Barber-Ellis | .25 | Mar. 15 | Feb. 28 |
| Bathurst Pwr. | .25 | Mar. 1 | Feb. 1 |
| B'ver Lumber 1.40 p. | .35 | Apr. 1 | Mar. 10 |
| Do., 7% pf. | 1.75 | Apr. 1 | Mar. 10 |
| Beld.-Cort. | 1.50 | Apr. 1 | Feb. 28 |
| Do., 7% pf. | 1.75 | Apr. 1 | Feb. 28 |
| Belding-Corticelli | ♦1.00 | Mar. 1 | Jan. 31 |
| Belleterre Que. M. | .10 | Mar. 15 | Feb. 28 |
| Bertram & Sons | .25 | Feb. 15 | Jan. 15 |
| Borden Co. | †.60 | Mar. 1 | Feb. 11 |
| Bowes Co. | *.12½ | Feb. 15 | Jan. 18 |
| B. C. Silk Mills | .12½ | Mar. 15 | Feb. 28 |
| Do., pf. A | .37½ | Mar. 15 | Feb. 28 |
| Bruck Silk Mills | .30 | Mar. 15 | Feb. 14 |
| Chart. Trust | 1.25 | Apr. 1 | Mar. 15 |
| Can. Foreign Inv. | .75 | Apr. 1 | Feb. 28 |
| Do. | .75 | July 1 | May 30 |
| Can. Brew. | .37½ | Apr. 1 | Feb. 28 |
| Circle Bar Knit. | .15+.05 | Mar. 1 | Feb. 15 |
| Can. & Dom. Sugar | .30 | Mar. 1 | Feb. 10 |
| Can. Found. & Forg., A | .37½ | Mar. 15 | Mar. 1 |
| Can. Ingers'l-Rand | .75 | Mar. 27 | Mar. 14 |
| Can. Intnl. Invest. Trust 5% pf. | 5.50 | Mar. 1 | Feb. 10 |
| Can. West. Lumber | *.12 | May 1 | Apr. 3 |
| Commoil Ltd. | .00½ | Feb. 25 | Feb. 8 |
| Corrugated P. Box | *.25 | Mar. 1 | Feb. 15 |
| Do., 5% pfd. | 1.25 | Mar. 1 | Feb. 15 |
| Can. Food Products | .18¾ | Apr. 1 | Feb. 28 |
| Do., pf. | .25 | Apr. 1 | Feb. 28 |
| Do., pf. 4½% | 1.12½ | Apr. 1 | Feb. 21 |
| Can. Malting | .50 | Mar. 15 | Feb. 15 |
| Can. North. Pwr. | .15 | Apr. 25 | Mar. 20 |
| Do., 7% pf. | 1.75 | Apr. 15 | Mar. 20 |
| Can. Vinegars | .15 | Mar. 1 | Feb. 15 |
| Can. Fairbanks | .25 | Mar. 1 | Feb. 15 |
| Can. Gen. Elect. | 2.00 | Apr. 1 | Mar. 15 |
| Can. Locomo. | 1.00+1.00 | Mar. 1 | Feb. 15 |
| Can. Utilities | 1.25 | Feb. 15 | Jan. 24 |
| Candn. Car | .20 | Feb. 22 | Jan. 29 |
| Do., pf. | .25 | Feb. 22 | Jan. 29 |
| Capital Trust | 4.00 | Mar. 1 | Dec. 31 |
| Commonw'lth Intnl. | .04 | Feb. 15 | Jan. 15 |
| Crown Cork & Seal. | .50 | Feb. 15 | Jan. 20 |
| Can. Cement | .32½ | Mar. 20 | Feb. 21 |
| Col. Steamships | 5.00 | Mar. 15 | Feb. 6 |
| Cons. Bakeries | .25 | Apr. 1 | Mar. 8 |
| Cons. Glass | .50 | Feb. 28 | Jan. 27 |
| Cosmos Imp. | .30+.15 | Feb. 15 | Jan. 31 |
| Can. Oil | .20 | Feb. 15 | Feb. 1 |
| Davis Leather A | .37½ | Mar. 1 | Feb. 1 |
| Do., B | .17½ | Mar. 1 | Feb. 1 |
| Dist. Corp. Seag. | .15 | Mar. 15 | Feb. 24 |
| Dom. & Anglo Inv. | 1.25 | Mar. 1 | Feb. 15 |
| Dom. Bridge | .30 | Feb. 25 | Jan. 31 |
| Dom. Envelope 7% pf. | .87½ | Mar. 1 | Feb. 15 |
| Dom. Scot. Invest. | .50 | Mar. 1 | Jan. 31 |
| Dom. Stores | .32½ | Mar. 15 | Feb. 15 |
| Donna. Paper | .50+.25 | Apr. 1 | Mar. 1 |
| Do., 4½% | 1.12½ | May 15 | Apr. 15 |
| Donnacona pfd. | 1.12½ | Feb. 15 | Jan. 15 |
| Donohue Bros. | .25 | Mar. 1 | Feb. 15 |
| Eastern Steel | .15 | Mar. 1 | Feb. 15 |
| Eddy Paper, A | .25 | Mar. 15 | Feb. 15 |
| Equit. Life Ins. | .40 | Feb. 20 | Feb. 15 |
| Gord. Mackay, A | .12½ | Mar. 15 | Feb. 15 |
| Do., B | .12½+.50 | Mar. 15 | Feb. 15 |
| Fanny Farmer | .37½ | Mar. 31 | Mar. 15 |
| Gen. Steel Wares | .20 | Feb. 15 | Jan. 17 |
| Gypsum Lime | .20 | Mar. 1 | Feb. 1 |
| Do. | .20 | June 1 | May 1 |
| Do. | .20 | Sept. 1 | Aug. 1 |
| Do. | .20 | Dec. 1 | Nov. 1 |
| Hallnor Mines | .07 | Mar. 1 | Feb. 7 |
| Hamilton Cotton | .22½ | Mar. 1 | Feb. 10 |
| Hudson Bay M. & S. | .75 | Mar. 10 | Feb. 7 |
| Huron & Erie Mtge. | 1%+½% | Apr. 1 | Mar. 15 |
| Int. Utilities | .22½ | Mar. 1 | Feb. 16 |
| Imp. Tobacco | .10+.10 | Mar. 31 | Feb. 18 |
| Do., 6% pf. | 3% | Mar. 31 | Feb. 18 |
| Intnl. Nickel | †.40 | Mar. 20 | Feb. 18 |
| Jam. Pub. Serv. | .17 | Apr. 1 | Feb. 28 |
| Do., 7% pf. | 1.75 | Apr. 1 | Feb. 28 |
| Kerr-Addison | .03 | Feb. 28 | Feb. 7 |
| Lake Shore | .18 | Mar. 15 | Feb. 15 |
| Lake of the Woods | .40 | Mar. 1 | Feb. 1 |

## Dividends Declared (Con.)

| | This payment $ | Date payable | Date of record |
|---|---|---|---|
| Do., pf. | 1.75 | Mar. 1 | Feb. 1 |
| J. Lang | .25 | Apr. 1 | Mar. 10 |
| Langley's | 2.00 | Feb. 11 | Feb. 4 |
| Do. | .75 | Mar. 11 | Mar. 4 |
| Do. | .75 | June 11 | June 4 |
| Do. | .75 | Sept. 11 | Sept. 4 |
| Do. | .75 | Dec. 11 | Dec. 4 |
| Laura Secord | .20 | Mar. 1 | Feb. 1 |
| Legare 6% pf. | 2.00 | Mar. 10 | Feb. 10 |
| Leitch Gold | .02 | Feb. 15 | Jan. 31 |
| Loblaw Groc. | .25 | Mar. 1 | Feb. 4 |
| Loblaw Inc. | .20 | Mar. 1 | Feb. 7 |
| Maclaren Pr. & Pap. | .50 | Feb. 28 | Feb. 13 |
| H. R. MacMillan | .10+.10 | Mar. 31 | Mar. 20 |
| Maple Leaf Gdns. | 1.00 | Feb. 28 | Feb. 1 |
| McColl-Front. Oil | .50 | Mar. 15 | Feb. 15 |
| J. S. Mitchell | 2.50 | Mar. 1 | Feb. 10 |
| McIntyre-Porc. | .50½ | Mar. 1 | Feb. 1 |
| Monarch Knit | .15 | Apr. 1 | Feb. 28 |
| Do., pf. | 1.25 | Apr. 1 | Feb. 28 |
| Montreal Cotton | .13 | Mar. 15 | Feb. 15 |
| Do., pf. | .44 | Mar. 15 | Feb. 15 |
| National Drug | .12½ | Mar. 1 | Jan. 31 |
| Do., pf. | .15 | Mar. 1 | Jan. 31 |
| Nat. Grocers | .15 | Apr. 1 | Mar. 3 |
| Do., pf. | .37½ | Apr. 1 | Mar. 3 |
| Noranda Mines | .50 | Mar. 15 | Feb. 14 |
| N. S. Lt. & Pr. 6% p | 1.50 | Mar. 1 | Feb. 13 |
| O'Brien Gold Mines | .03 | Feb. 28 | Jan. 24 |
| Ogilvie Flour | .25 | Apr. 1 | Feb. 25 |
| Do., pf. | 1.75 | Mar. 1 | Jan. 27 |
| Ont. Beauty S'ply p | .25 | Apr. 2 | Mar. 20 |
| Ont. Steel | .25 | Feb. 15 | Jan. 13 |
| Do., pf. | 1.75 | Feb. 15 | Jan. 15 |
| Paton Manuf. | .20 | Mar. 15 | Feb. 28 |
| Do., 7% pf. | .35 | Mar. 15 | Feb. 28 |
| Penmans | .75 | Feb. 15 | Jan. 15 |
| Photo Engravers | .50+.50 | Mar. 1 | Feb. 13 |
| Power Corp. 6% 2 pt. pf. | .75 | Apr. 15 | Mar. 20 |
| Do., 6% pf. | 1.50 | Apr. 15 | Mar. 20 |
| Proprietary Mines | .03 | Mar. 10 | Feb. 8 |
| Prov. Transport | .25 | Feb. 27 | Feb. 7 |
| Purity Flour | ‡.25 | Mar. 1 | Feb. 7 |
| Quebec Pr. | .25 | Feb. 25 | Jan. 18 |
| Regent Knit. | .25 | Mar. 1 | Feb. 1 |
| Do pfd. | .40 | Mar. 1 | Feb. 1 |
| Do., pfd. | .40 | June 2 | May 1 |
| Do., pfd. | .40 | Sept. 2 | Aug. 1 |
| Do., pfd. | .40 | Dec. 1 | Nov. 1 |
| Robinson Little, A | *.25 | Mar. 1 | Feb. 15 |
| Rolland Paper | .15 | Feb. 15 | Feb. 1 |
| Do., pfd. | 1.06¼ | Mar. 15 | Mar. 1 |
| Royal Bank of Can. | .20 | Mar. 1 | Jan. 31 |
| Shawinigan Water | .30 | Feb. 25 | Jan. 16 |
| Shea's Brew. | .27½ | Feb. 15 | Jan. 31 |
| Shea's Winnipeg Brew. | .75+.25 | Feb. 15 | Jan. 31 |
| Sher.-Willliams | .20 | May 1 | Apr. 10 |
| Do., 7% pf. | 1.75 | Apr. 1 | Mar. 10 |
| H. Simon & Sons | .30 | Mar. 1 | Feb. 7 |
| Do., 5% pf. | 1.25 | Mar. 1 | Feb. 7 |
| Stand Pav., pf. | .31¼+.31¼ | Apr. 1 | Mar. 5 |
| South. Can. Pwr. | .25 | May 15 | Apr. 18 |
| Do., 8% pfd. | 1.50 | Apr. 15 | Mar. 20 |
| Stand. Chemical | 1.25 | Mar. 1 | Jan. 31 |
| Simpsons Ltd. | .75 | Feb. 25 | Feb. 1 |
| Do., pf. | 1.12½ | Mar. 15 | Feb. 15 |
| Stedman Bros. | .15 | Apr. 1 | Mar. 15 |
| Sou. Can. Pwr. | .25 | Feb. 15 | Jan. 20 |
| Southam Co. | .19 | Feb. 15 | Jan. 15 |
| Taylor Pear & Car 5% pf. | .12½ | Mar. 1 | Feb. 14 |
| Toronto Elev. | *.10 | Mar. 1 | Feb. 20 |
| United Corp. (B) | .25 | Feb. 28 | Jan. 31 |
| Do., pf | .33 | Feb. 15 | Jan. 15 |
| United Dist. | .50 | Feb. 22 | Feb. 10 |
| Viceroy Mfg. | .09 | Mar. 5 | Mar. 1 |
| Waite Amulet | .20 | Mar. 10 | Feb. 10 |
| H. Walker | .30 | Mar. 15 | Feb. 7 |
| G. Weston | 1.12½ | Mar. 1 | Feb. 15 |
| Woods Mfg. | .50 | Mar. 31 | Feb. 28 |
| Wool Combing | .25 | Apr. 10 | Mar. 24 |
| York Knit. | .20 | Feb. 15 | Jan. 31 |
| Do., 7% pf. 1 | 3.50 | Feb. 15 | Jan. 31 |
| Do., 7% pf. 2 | 3.50 | Feb. 15 | Jan. 31 |
| Yukon Cons. | .06 | Mar. 7 | Feb. 7 |

†N. Y. funds. *Initial. ‡Bonus.

## Company Meetings

| 1947 | Company | Place |
|---|---|---|
| Feb. 20 | London-Canada Ins. | Toronto |
| Feb. 20 | Moirs Ltd. | Halifax |
| Feb. 20 | New Bruns. Tele. | Fredericton |
| Feb. 20 | Shawinigan W. & P. | Montreal |
| Feb. 24 | Can. Cement | Montreal |
| Feb. 25 | Confederation Life | Toronto |
| Feb. 27 | Bell Telephone | Montreal |
| Feb. 27 | Quebec Power | Quebec |
| Feb. 28 | Bruck Silk Mills | Montreal |
| Feb. 28 | Casualty of Can. | Toronto |
| Feb. 28 | Dom. of Can. Gen. Ins. | Toronto |
| Mar. 14 | Amalg. Oils | Calgary |

# STOCKS NOT TRADED THIS WEEK

| | Div. rate $ | Last sale | Feb. 7 Bid | Ask |
|---|---|---|---|---|
| Algoma Steel pf. | 5.00 | 103 | 101½ | .. |
| Amal. Electric | • | 15 | .. | 15 |
| Ang. Can. Tel. p. | 2.25 | 52½ | 52½ | 55 |
| Auto Fabrics (A) | .60 | 11¾ | 12 | 12½ |
| Do. (B) | ... | 5¾ | 5¾ | 6 |
| Barcelona | ... | 6 | 3 | .. |
| Beath & Sons | ▪1.00 | 21 | .. | .. |
| Beaver Lumber | 1.00 | 20½ | 20 | 21 |
| Do., pref. | 1.40 | 22 | 32 | .. |
| Belding Cort. 6.00+ | ♦1.00 | 180 | 155 | 162 |
| Belgium Glove | .60 | 11¾ | .. | .. |
| Do., pref. | 1.00 | 20 | 18 | 19¾ |
| Bertram & Sons | 1.00 | 19 | 19 | 19 |
| Do. (B) | ... | 4½ | 4½ | 5 |
| Blue Ribbon | ... | 13 | 10½ | 13½ |
| Brand. Hender. | ... | 13 | 13 | 14 |
| Brant. Cord. pf. | 1.20 | 27 | 27 | 29 |
| Brant. Roof. | ♦.35 | 18 | 17½ | .. |
| Bright, T. G. | ... | 25 | .. | .. |
| Caldwell Linen | .50 | 12½ | 12½ | 12¾ |
| Do. 1st pref. | 1.50 | 30½ | 28 | 30½ |
| Do., 2nd pref. | .80 | 16 | 16 | 18 |
| Calgary Pwr. | ... | 75 | 75 | .. |
| Can. Bread pf. (B) | 2.50 | 72 | 71½ | 76 |
| Can. Cr. Stone | .40 | 10 | 7¾ | 10 |
| Can. Forg. (B) | 1.50 | 45 | 40 | 75 |
| Can. Iron | .80 | 19 | 17 | 17½ |
| Do. pref. | .60 | 15 | .. | .. |
| Can. Bronze pf. | 5.00 | 108 | .. | 107½ |
| Can. Convert. (A) | .75 | 17 | 15 | 17½ |
| Can. Cottons pf. | 1.20 | 30½ | .. | 31½ |
| Can. Fairb. 1.00+ | ▪.25 | 37½ | 35 | 36½ |
| Do., pref. | 6.00 | 150 | 145½ | .. |
| Can. Gen. Elec. | 8.00 | 270 | 250 | 270 |
| Can. G. Sec. | ♦1.00 | 20 | 20 | .. |
| Can. Indust. pf. | 7.00 | 188 | .. | .. |
| Can. Int. I. Tr. | ... | 3½ | 3½ | 3½ |
| Do., pref. | ♦5.50‡ | 101 | .. | .. |
| Can. Lt. & Pr. | • | 12½ | 10 | 15 |
| Can. Oil 5% pf. | 5.00 | 106 | 106 | 107 |
| Do., 8% pref. | 8.00 | 183½ | 180 | 185 |
| Can. Shipbldg. (A) | .60 | 29 | .. | .. |
| Do. (B) | .40 | 9 | 3 | .. |
| Can. Silk | 1.50 | 30½ | 30½ | 31 |
| Can. Tire | 1.00 | 28¾ | 28 | 30 |
| C.W. Box (A) 1.50+ | ♦.37½ | 26 | 25½ | 26 |
| Carnation pfd. | ♦4.00 | 118½ | 108½ | .. |
| Cassidy's pref. 7+ | ♦5.25 | 140 | 140 | .. |
| Cent. Can. L'n | 8.00 | 182 | 181 | .. |
| Chart. Trust | 5.00 | 140 | 136 | .. |
| Cinzano (A) | 4½d | 1.75 | .. | .. |
| Do., 5½% pref. | 5½% | 4½ | 4 | 5 |
| Circle Bar Knit. .60+ | .20 | 22 | 20 | 23 |
| Claude Neon | ... | .35 | .35 | .40 |
| Coll. Terminal | ♦.25 | 7 | 7 | 10 |
| Do., pref. | ♦.25 | 7 | 6½ | 10 |
| Conduits Nat. | ♦.25 | 7¾ | 7½ | 7½ |
| Cons. Fire Co. | ... | 3¾ | 4⅞ | .. |
| Cons. Press | 1.00 | 30½ | 30½ | 31 |
| Cons. Sand pf. | †2.50 | 100 | .. | .. |
| Cons. Textiles | ... | 8½ | 8¾ | 9¾ |
| Corr. P. Box 5% p. | 5.00 | 104 | 103 | 105 |
| Cosmos Imp. 1.20+ | .15 | 27½ | .. | .. |
| Crain, R. L. | .40 | 7½ | 7 | 7¼ |
| Cres. Cream. pfd. | ▪5.00 | 104 | 102½ | 110 |
| Crown Dom. Oil | ... | 8 | 8 | .. |
| Crown Trust | 4.00 | 105 | 105 | .. |
| De Havilland pfd. | ... | 175 | .. | 185 |
| Disher Steel | ... | 3 | 3½ | 4 |
| Do., pref. | ▪1.50 | 23 | 22½ | 24 |
| Dom. A. Inv. 3.00+ | ‡2.50 | 102 | 100 | .. |
| Do., pref. | 5.00 | 110 | 109 | .. |
| Dom. Electro | ... | 5½ | 5½ | 6½ |
| Dom. Envelope | †.20 | 6 | .. | .. |
| Do., pref. | 3.50 | 54 | 51 | .. |
| Dom. Fabrics | .80 | 13 | 13 | 19 |
| Do., pref. | 3.00 | 54 | 54 | .. |
| Do., 2nd pref. | 1.50 | 29 | 29 | 35 |
| Dom. Scot. Inv. | ... | 4 | 3¾ | 4½ |
| Dom. Square | ... | 37½ | 37 | 40 |
| Donohue Bros. | 1.00 | 20½ | 20½ | 21 |
| East Koot. Pr. | ... | .23 | 1.00 | .. |
| Do., pref. | ... | 25 | 23 | .. |
| East. Theat. | ♦1.00 | 20 | 20 | .. |
| Economic Inv. | ▪2.00 | 39 | 40 | 43 |
| Enam. & Heat. | ... | 11½ | 11 | 12½ |
| English Elect. (B) | ... | 7 | 5 | 9 |
| Equitable Life | ♦.40 | 14½ | 13 | 14½ |
| Federal Fire | ▪2.50 | 51¾ | .. | .. |
| Ford Motor (B) | ... | 25 | 20½ | .. |
| Do., pref. | ... | 12½ | .. | .. |
| For. Pr. Secs. | ... | .50 | .50 | .55 |
| Do., pref. | ... | 12½ | .. | 15 |
| Freiman | .50 | 24 | .. | 24 |
| Gen. Products (A) | ♦.50 | 20 | 19½ | 20 |
| Do., pref. | 5.00 | 101½ | 21 | 20 |
| Godfrey | ▪.75 | 33 | .. | .. |
| Gord. Belyea | 2.50 | 59½ | 61 | 64 |
| Gould Pumps | ▪♦8.75x | 63½ | .. | .. |
| Grand & Toy | .60 | 12 | 14 | 17½ |
| Gt. West Life | 15.00 | 401 | 408 | .. |
| Growers Wine | ... | 1.60 | .. | .. |
| Guaranty Trust | 5.00 | 117 | 117 | .. |
| Gurd, Chas. | ... | 14½ | 14½ | .. |
| Do., pref. | ... | 143 | .. | .. |
| Hahn Brass | ♦.30 | 9½ | 9½ | 11 |
| Ham. Cot. pf. | .90 | 18 | 17¾ | 19½ |
| Hillcrest Coll. | ... | .50 | .35 | .80 |
| Holt Renfrew | ... | 45 | .. | 43 |
| Do., pref. | 7.00 | 170 | .. | 165 |
| Ho. De LaSalle | ▪.25 | 20 | 20 | .. |
| Hubbard com. | ... | 4½ | .. | 4⅞ |
| Humberstone S. | 1.25 | 22 | 22 | 25 |
| Hunts (B) new | ♦.20 | 12 | 11½ | 14 |
| Huron & E. Mt. 20% pd. | 4%+♦½% | 21½ | 21½ | 30 |
| Imp. Varnish .60+ | .15 | 14 | 15 | 15½ |
| Do., pref. | 1.50 | 31 | 32 | .. |
| Indust. Accept. p. | 5.00 | 106 | 105 | 108 |
| Inter-City Bak. | 3+1‡ | 80 | 76 | 79 |
| Inter'c Coal | 2.00 | 25 | .. | 30 |
| Do., pref. | 8.00 | 130 | .. | 130 |
| Int. Coal & Co. | .03 | 40½ | 41 | 45 |
| Int. Hydro El. (A) | ... | 9½ | .. | 12 |
| Int. Metal Ind. pf. | 4.50 | 104½ | .. | .. |
| Int. Nickel pf. | 7% | 123 | 132 | .. |
| Int. Paints | ... | 13 | 12 | 18 |
| Int. Pap. pf. | ♦4.00 | 105½ | .. | .. |
| Invest. Foundation | ♦.35 | 9 | 8 | 9 |
| Jam. Pub. Ser. pf. | 7.00 | 140 | 140 | .. |
| John Inglis | *.25 | 10½ | 10½ | 10½ |
| Journal Pub. Ot. | .68 | 15½ | .. | 16 |
| Langleys | ... | 3.00 | 2.50 | 4.00 |
| Do., pref. | ♦5.00 | 60½ | 63 | 75 |
| Legare, pref. | ▪2.00 | 27 | 25 | .. |
| Lindsay, C. W., pf. | ♦4.00 | 115 | 112 | 125 |
| Lon. Can. Invest. | ▪2.75 | 91 | .. | .. |
| Mackin Steel | ... | 6 | .. | .. |
| Do., pref. | 5.00 | 80 | 80 | .. |
| M. L. Gardens | ♦1.00 | 66 | 68 | 80 |
| Marcus Loew's | 4.00 | 90 | 75 | .. |
| Do., pref. | 7.00 | 115 | 113 | .. |
| Mexican Lt. pf. | ... | 15 | .. | .. |
| Monarch Knit pf. | 5.00 | 101½ | 100½ | .. |
| Montreal Cot. pf. | 1.75 | 40½ | 40 | .. |
| Monarch Life 20%. | 12% | 87 | 93½ | .. |
| Mont. Is. Pr. | ... | .20 | .. | .. |
| Mont. L. & Pr. Nts. | ... | 50 | .. | .. |
| Montreal L'n .▪1.25+ | .25‡ | 45 | .. | .. |
| Moore Corp. p. (A) | ♦7.00 | 272 | 284 | 295 |
| Do., pref. (B) | ♦7.00 | 432 | 426 | .. |
| Morrison Brass | ... | 3½ | 3½ | 5 |
| Murphy Paint | .80 | 24 | 23 | 23½ |
| Do., pref. | 3.50 | 105 | .. | .. |
| Nat. Breweries pf. | 1.75 | 49 | 47 | 49 |
| National Trust | .90 | 28 | 26½ | 27 |
| Neon Prod. of W.C. | .60 | 12½ | 12½ | 14 |
| Niag. W. Weav. 1+ | ♦.50 | 30 | .. | 26 |
| Nor. Can. Mtge. | ♦.40 | 15 | 15 | .. |
| Nor. Trusts | ♦.80 | 18 | 19 | .. |
| N. S. L. & Pr. | 6.00 | 103 | 104 | .. |
| Do., pref. | 6.00 | 109 | 108½ | 112 |
| Ogilvie Flour pf. | 7.00 | 180 | 181 | .. |
| Ontario Loan | 5.00 | 116½ | 117 | .. |
| Ont. Steel | 1.00 | 19½ | 19½ | 20 |
| Do., pref. | 7.00 | 130 | 127 | .. |

## Stocks Not Traded This Week (Continued)

| | Div. rate $ | Last sale | Feb. 7 Bid | Ask |
|---|---|---|---|---|
| Pacific Coyle | †.03 | .43 | .41 | .. |
| Pantepec Oil | ▪♦.64 | 14 | 10½ | .. |
| Premier Trust | 2.00 | 54 | 52½ | 60 |
| Que. Pulp & Pap. | ... | 125½ | .. | .. |
| Que. Telephone | .40 | 8¾ | 9¾ | .. |
| Quinte Milk .30+ | .10 | 7½ | 7 | 8 |
| Reliance Grain | ... | 18 | 15 | 21 |
| Renfrew Tex. | .60 | 10 | 9½ | 9¾ |
| Robertson, P. L., p. | 2.50 | 49½ | 49 | .. |
| Robinson Cotton | .40 | 14 | 13½ | 14 |
| Russell Indust. pf. | 7.00 | 605 | .. | .. |
| Sangamo, new | ... | 10 | 8½ | 10 |
| Scythes & Co. | .76 | 13¾ | 13 | 15½ |
| Do., pref. | 1.25 | 28 | 28½ | 28 |
| Silknit scripts | ♦1.60 | 18 | 19¾ | .. |
| Silverwoods pf. | .40 | 14½ | 16 | 16 |
| Silverwoods W.D. | ▪.55 | 13 | .. | .. |
| Do., pref. | 5.00 | 100½ | 100 | .. |
| Simon & Sons | 1.20 | 28 | 28 | 30 |
| Do., pref. | 5.00 | 105 | 105 | .. |
| Slater, N. | 1.20 | 32½ | 31½ | 33 |
| St. Law. Flour | 1.60 | 35 | 34 | 35 |
| Do., rights | ... | 3 | .. | .. |
| Stanley Brock (A) | .60 | 10¾ | 10½ | 10¾ |
| Sterling Coal | ... | 10½ | 9¾ | 10½ |
| Sterling Trust | 5.00 | 114½ | 113½ | 116 |
| Stop & Shop | ... | 1.50 | 1.25 | 1.50 |
| Stowell (A) pf. | 1.50 | 27½ | 23 | 26½ |
| Do. (B) | ... | 9½ | 7 | 9 |
| Stuart, D. A. p. .80+ | .25‡ | 19 | 18½ | 19½ |
| Sup. Pete. ord. | 1.00 | 48½ | 47½ | .. |
| Do., com. | ♦1.00 | 27½ | 42 | .. |
| Tamblyn pref. | 2.00 | 53½ | 53½ | 54 |
| Taylor Pearson p. | .50 | 12½ | 12½ | 12½ |
| Thayers | ... | 7½ | 6 | 10 |
| Do., pref. | ♦2.50 | 41 | 35 | 45 |
| Theatre Props. | ... | 4 | 4 | 5 |
| Tip Top Tailors | .20 | 18 | 18 | 20 |
| Tooke Bros. | ♦.40 | 41 | .. | .. |
| Tor. Gen. Tr. 6.00+ | ♦1.00 | 175 | 170 | 175 |
| Toronto Iron (A) | .60 | 11¾ | 12½ | 12½ |
| Traders Bldg. | 4+1‡ | 75 | .. | .. |
| Traders Fin. (A) | 1.00 | 34 | 34 | 34 |
| Do. (B) | 1.00 | 34 | 34 | 35 |
| Un. Amuse. (A) | ▪1.25 | 31 | 30 | .. |
| Do. (B) | ▪1.25 | 30 | 30 | .. |
| United Corp. (A) | 1.50 | 30 | 30 | .. |
| Viau Ltd. | .15 | 20 | 20 | 20½ |
| Do., pref. | 5.00 | 101 | 100 | .. |
| Viceroy | .28 | 9 | 10 | .. |
| Vir. Dare 5% pf. | 1.25 | 25 | 24¾ | 25½ |
| West. Grain pfd. | ... | 47½ | 35 | 38 |
| Willron Stat. pf. | 5.00 | 101½ | 100 | 105 |
| York Knit. 1 pf. | 7.00 | 175 | 150 | .. |
| Zellers 5% pf. | 1.25 | 27 | 26½ | 27½ |

*Paid in 1945. ▪Paid in 1946. ‡Extra. xOn arrears. †Paid in 1944. ♦N. Y. funds. ♦Paid or payable in 1947. •Dividend deferred.

### Mining Stocks

| | Div. rate $ | Last sale | Feb. 7 Bid | Ask |
|---|---|---|---|---|
| Alta. | ... | .11½ | .11½ | .. |
| Beatrice | ... | .08 | .08 | .09 |
| Berens River | ‡.05 | .85 | .80 | .90 |
| Bobs Lake | ... | .20 | .. | .18 |
| Bouscadillac G.M. | ... | .11 | .08 | .10 |
| B.R.X. Can. | ... | .13 | .12¾ | .14 |
| Bruce Cons. | ... | .01 | .. | .03 |
| Bunker Hill | ... | .05½ | .05 | .06 |
| Celta Devel. | ... | .03 | .09 | .. |
| Coast Copper | ... | 2.00 | 1.75 | 2.50 |
| Douglas L. | ... | .10 | .. | .. |
| Golconda | ... | .18 | .17 | .. |
| Grandoro | ... | .12 | .13 | .17½ |
| Grandview | §.01 | .21 | .22 | .. |
| Great Falls M. | ... | .02 | .02 | .. |
| Int. Mining | ... | 10.00 | .. | .. |
| Island Lake | ... | .01 | .. | .02 |
| Island Mountain | ‡.07 | 1.30 | 1.68 | 1.75 |
| Jacola | ... | .03½ | .03½ | .04½ |
| Kerr Lake | ‡*.05 | .50 | .41 | .. |
| Knee Lake | ... | .02½ | .. | .05 |
| McGillivray C. | ... | .19 | .18 | .20 |
| Mentor Explor. | ... | 1.25 | 1.50 | 2.50 |
| Normandy | ... | .04 | .04½ | .07 |
| North. Empire | §.10 | 1.25 | 2.15 | 2.50 |
| Pacific Nickel | ... | .15 | .14 | .15 |
| Packsack | ... | .02½ | .02 | .03 |
| Paton Mfg. | .80 | 20 | 20 | 30 |
| Do., pref. | 1.40 | 30 | 26 | .. |
| Penmans | 3.00 | 70 | 60 | 73 |
| People's Cr. Sec. | ▪.25 | 6 | 6 | 7 |
| Prospectors Air's. | ... | .35 | .42 | .37 |
| Quatsino | ... | .16 | .16½ | .17 |
| Red Cloud | ... | .02 | .. | .03 |
| Red Crest | ... | .09 | .08½ | .10 |
| Renabie | ... | 2.25 | 2.42 | .. |
| Rice Lake | ... | .02½ | .02 | .02½ |
| Ryanor | ... | .12½ | .12 | .15 |
| S. American G. | ‡*.20 | 1.10 | .. | .. |
| Star Lake | ... | .00½ | .00½ | .01½ |
| Sunloch | ... | .18 | .15 | .. |
| Tiblemont | ... | .15 | .. | .25 |
| Tombill | ... | .26 | .27 | .28 |
| Winnipeg R. Tin | ... | .01 | .00½ | .01½ |
| Yukon Cons. | ... | 1.25 | .. | 1.35 |
| **Oil Stocks:** | | | | |
| Advance | ... | .01 | .. | .. |
| Ajax | ... | 2.02 | .. | .. |
| Arrow | ... | .05 | .. | .. |
| Commoil | §.00½ | .35 | .35 | .37 |
| Federated P. | ... | .25 | .. | .. |
| Grease Creek | ... | .03 | .03½ | .05 |
| Hargal | ... | .03 | .02 | .. |
| Jumping Pound | ... | .18 | .. | .. |
| Kitalto | ... | .13 | .. | .. |
| Madison | ... | .01¾ | .01¾ | .02 |
| Marjon | ... | .09½ | .. | .. |
| Marvel | ... | .01½ | .02 | .03 |
| Merland | ... | .01½ | .. | .. |
| New Ranch | ... | .02 | .. | .03 |
| Nordon | ... | .16 | .. | .. |
| Petrol Oil & Gas | ... | .07 | .14 | .20 |
| Richland | ... | .04½ | .. | .. |
| Royal Crest | ... | .03½ | .02½ | .. |
| So. Brazeau | ... | .04 | .. | .. |
| South End | ... | .10 | .. | .. |
| Texas Can. | ... | 1.40 | 1.35 | .. |
| Three Point | ... | .02½ | .01 | .. |
| Trans Alta. | ... | .01½ | .01½ | .. |
| Turner V. | ... | .38 | .40 | .. |
| Vanalta | ... | .10¾ | .12 | .13½ |
| Warner | ... | .03½ | .01½ | .05 |
| Wellington | ... | .01 | .01 | .. |

§Paid or payable in 1947. ‡Paid in 1946. *N. Y. funds. †Paid in 1945. ♦Dividend deferred.

# BUSINESS THIS WEEK

| | JAN. | DEC. | NOV. | OCT. | Year Ago |
|---|---|---|---|---|---|
| **GOVERNMENT FINANCE (millions of $)** | | | | | |
| Dom. total revenue | .... | 264.2 | 216.3 | 237.1 | 150.1 |
| Dom. total expend. | .... | 177.0 | 204.3 | 177.4 | 244.0 |
| **MERCHANDISING** | | | | | |
| Dept. store sales index no. (1) | .... | 325.1 | 304.4 | 234.7 | 279.5 |
| •Retail sales index (no.) | .... | 281.9 | 245.4 | 227.1 | 256.1 |
| Country store index (no.) | .... | 223.4 | 202.3 | 205.4 | 209.6 |
| •Wholesale sales index (no.) | .... | 220.0 | 256.9 | 276.8 | 220.0 |
| **FINANCE** | | | | | |
| •Dividend payment index (5) | 151.2 | 149.6 | 148.2 | 147.8 | 140.3 |
| Bank debits (1) | .... | .... | 205.2 | 210.3 | 283.5 |
| Money supply (millions $) | .... | .... | 7,613 | 7,416 | 7,262 |
| **NEWSPRINT CAPACITY** | | | | | |
| Production ratio | .... | 98.8 | 101.2 | 100.7 | 79.6 |
| Shipment ratio | .... | 103.6 | 108.7 | 103.6 | 82.0 |
| **RAILWAY FREIGHT LOADINGS** | | | | | |
| Tons (D.B.S.) index | .... | 176.8 | 161.5 | 146.9 | 177.4 |
| Cars (D.B.S.) index | .... | 155.3 | 150.0 | 140.7 | 143.2 |
| **COST OF LIVING** | | | | | |
| •D.B.S. index | 127.0 | 127.1 | 127.1 | 126.8 | 119.9 |
| **EMPLOYMENT INDEX, D.B.S.** | | | | | |
| •All industries | .... | 185.4 | 182.7 | 178.1 | 173.2 |
| •Manufacturing | .... | 194.1 | 192.8 | 188.4 | 184.2 |
| •Payrolls (June 1 41=100) (2) | .... | 159.5 | 154.6 | 150.1 | 139.3 |

| | 1946-7 | 1945-6 | Jan. 1 to date 1946-7 | Jan. 1 to date 1945-6 | Change % |
|---|---|---|---|---|---|
| **RAILWAYS—(000's omitted)** | | | | | |
| •Carloadings (week Feb. 1) | 70.0 | 64.6 | 334.0 | 312.7 | +6.8 |
| •C.P.R. gross rev. (Feb. 7) | 4,854 | 5,311 | 28,213 | 28,620 | —1.4 |
| C.N.R. gross rev. (Nov.) | 37,128 | 34,306 | 364,775 | 398,257 | —8.5 |
| C.N.R. net rev. (Nov.) | 5,661 | 5,334 | 40,346 | 72,833 | —44.6 |
| C.P.R. gross rev. (Nov.) | 26,264 | 25,764 | 267,548 | 291,090 | —8.1 |
| C.P.R. net rev. (Nov.) | 3,746 | 3,324 | 17,723 | 32,837 | —46.1 |
| **IRON AND STEEL (000's omitted) (Dec.)** | | | | | |
| •Pig iron production (tons) | 161.5 | 135.2 | 1,403.8 | 1,778.0 | —21.1 |
| •Steel production (tons) | 237.3 | 219.3 | 2,334.6 | 2,881.3 | —19.4 |
| **CONSTRUCTION (000's omitted)** | | | | | |
| Contracts awarded (Nov.) | 48,004 | 44,998 | 626,821 | 383,246 | +63.6 |
| Building permits (Dec.) $ | 25,389 | 15,321 | 382,029 | 197,187 | +93.7 |
| Cement prod., bbls. (Oct.) | 1,191.8 | 1,103.7 | 10,104.9 | 7,473.6 | +36.6 |
| **AGRICULTURE (000's omitted)** | | | | | |
| Flour prod., bbls. (Dec.) | 2,350 | 2,169 | 27,375 | 25,059 | +9.3 |
| Flour exp., bbls. (Nov.) | 1,368 | 1,000 | 14,263 | 12,765 | +11.8 |
| Wheat exp., bush. (Nov.) | 16,852 | 38,316 | 143,289 | 291,574 | —50.8 |
| Cattle sales (Dec.) (4) | 172.1 | 202.3 | 1,889.1 | 2,017.3 | —6.6 |
| Hog sales (Dec.) (4) | 404.5 | 464.2 | 4,460.7 | 5,862.1 | —23.9 |
| **SEA FISHERIES (000's omitted)** | | | | | |
| Catch, cwt. (Nov.) | 1,057 | 969 | 11,101 | 11,523 | —3.8 |
| Landed value (Nov.) $ | 2,439 | 2,362 | 40,489 | 47,996 | —15.6 |
| **NEWSPRINT (000's omitted)** | | | | | |
| Production (Dec.) | 342 | 277 | 4,143 | 3,259 | +27.1 |
| Exports, tons (Dec.) | 340 | 263 | 4,136 | 3,235 | +27.8 |
| **MINING AND OILS (000's omitted)** | | | | | |
| Coal prod., tons (Oct.) | 1,625 | 1,427 | 14,601 | 13,161 | +10.9 |
| Gold prod. (fine oz.) (Oct.) | 241 | 233 | 2,370 | 2,191 | +8.1 |
| Petroleum prod. (brl.) (Oct.) | 639 | 625 | 6,393 | 7,171 | —10.9 |
| **ELECTRICAL POWER OUTPUT (000,000 omitted) (Dec.)** | | | | | |
| •Total monthly kw.h. | 3,672 | 3,289 | 41,604 | 40,101 | +3.7 |
| **FOREIGN TRADE (millions of $)** | | | | | |
| Imports (Nov.) | 198.2 | 142.4 | 1,745.4 | 1,464.6 | +19.2 |
| Exports (Dec.) | 211.9 | 234.8 | 2,312 | 3,218 | —28.2 |
| **FINANCE (millions of $)** | | | | | |
| Bank debits (Dec.) | 5,935 | 6,085 | 69,268 | 68,385 | +1.3 |
| •Bond sales (Jan.) | 308.2 | 186.8 | 308.2 | 186.8 | +64.9 |
| •Life insurance sales (Dec.) | 97.7 | 82.0 | 1,176.9 | 689.4 | +70.6 |
| **OTHER INDUSTRIAL FACTORS (000,000's omitted)** | | | | | |
| Shoe prod. pr. (Nov.) | 3.6 | 3.7 | 40.1 | 35.7 | +12.3 |
| Cigarette cons. (no.) (Dec.) | 1,221 | 1,166 | 14,866 | 15,265 | —2.7 |

(1) Base period 1935-39=100.
(2) All industries.
•New items for week.
(4) Total at yards and plants.
(5) Nesbitt, Thomson, ets.
(6) d—deficit.

## Unlisted Stocks

(Compiled from quotations supplied by Kippen & Co., Plaxton, McDonnell & Co., Kamm, Garland & Co.)

Feb. 10, 1947

| | Bid | Ask |
|---|---|---|
| Allens Toronto units | 39.00 | .... |
| Anglo American Timber | 1.70 | 1.90 |
| Anglo Can. Telephone A | 11.75 | 12.50 |
| Beauharnois L. H. & P. | 2.50 | .... |
| Brandram Henderson | 12.50 | 14.50 |
| British Mortgage and Trust | 167.00 | .... |
| B. C. Sugar | 91.00 | 94.00 |
| Canada Paving 1st pfd. | 7.75 | .... |
| Canadian Airways | 3.00 | 4.00 |
| Can. Ingersoll Rand | 63.00 | 66.00 |
| Candn. Investment Fund | 4.70 | 5.15 |
| Can. Investors Corp. | 7.50 | 8.50 |
| Canadian Motor Lamp, A | 12.00 | 13.00 |
| Can. Silk Products A | 30.00 | 32.00 |
| Can. West. Nat. Gas pfd. | 106.00 | .... |
| Capital Trust Co. $100 par | 80.00 | .... |
| Capital Wire Cloth com. | 10.00 | .... |
| Capital Wire Cloth pfd. | 23.00 | .... |
| Cawthra Apts. units | 4.75 | .... |
| Chase A. W. units | 36.00 | .... |
| Chatco Steel com. | 3.00 | 3.75 |
| Chatco Steel pfd. | 7.75 | 8.75 |
| Colonial Steamships com. | 76.00 | 82.00 |
| Commercial Finance com. | 12.00 | 14.00 |
| Commercial Life 10% paid | 7.75 | .... |
| Commonw'lth. Inter. Corp. | 3.63 | 3.99 |
| Confed. L. Assoc., 30% pd. | 150.00 | .... |
| Continental Life 20% paid | 40.00 | .... |
| Cooksville com. | 6.50 | .... |
| Cooksville 1st pfd. | 75.00 | .... |
| Cooksville 2nd pfd. | 35.00 | .... |
| Detroit Inter. Bridge | 13.50 | 14.75 |
| Dover Industries | 13.00 | 13.75 |
| Dunlop Tire pfd. | 26.00 | 27.50 |
| Empire Life Ins., 25% pd. | 17.00 | 19.00 |
| Fed. Found. & Stl. new c. | 1.75 | 2.25 |
| Foreign Power Sec. pfd. | 12.50 | 15.00 |
| Galt Brass com. | 28.50 | .... |
| Goderich Elev. & Trans. | 16.00 | 17.50 |
| Great Lakes Power pfd. | 114.00 | .... |
| Great West Life | 400.00 | 425.00 |
| Guardian Realty pfd. | 37.00 | .... |
| Guaranty Co. of N. Amer. | 380.00 | .... |
| Guelph and Ont. Svgs. $50 | 57.00 | .... |
| Gurney Foundry pfd. | 3.50 | 4.50 |
| Halifax Ins. | 18.50 | 20.00 |
| Hart Battery com. | 8.75 | 10.00 |
| Imperial Life | 335.00 | 380.00 |
| Interprovinc'l Brick A pfd | 35.00 | .... |
| Interprovinc'l Brick B pfd | 14.00 | .... |
| Lambton Loan & Inv. $50 | 75.00 | .... |
| Laprairie com. | 5.00 | .... |
| Laprairie pfd. | 64.00 | .... |
| Loblaw Groc. Inc. | 21.00 | 22.00 |
| London & West. Trust $100 | 165.00 | 175.00 |
| Manufacturers Life Ins. | 310.00 | 340.00 |
| Maxson Food | 1.50 | 2.50 |
| Midland Loan & Svgs. $10 | 18.50 | .... |
| Monarch Life Assoc. 30% paid | 91.00 | .... |
| Monarch Mtge. units | 3.75 | 4.75 |
| Montreal Island Power pf. | 30.00 | .... |
| Montreal Trust Co. | 93.00 | .... |
| Mountainview Apts. | 14.00 | .... |
| National Drug & Chem., com., new | 9.00 | 9.75 |
| National Drug & Chem., pfd., new | 13.50 | 14.25 |
| National Drug & Chem., com., old | 10.25 | 11.25 |
| New Brunswick Telephone | 13.00 | 15.00 |
| Northern Tele., com. | 1.50 | .... |
| Ont. Tobacco Plant units | 55.00 | .... |
| Paramount Kitchener units | 55.00 | .... |
| Peller Brewing com. | 8.00 | 10.50 |
| Provincial Bank of Can. | 15.25 | 15.75 |
| Prudential Trust | 9.00 | 10.50 |
| Sawyer Massey com. | 1.25 | 2.00 |
| Seiberling Rubber com. | 14.00 | 16.00 |
| Sincennes McNaught. Tugs | 2.25 | 3.00 |
| Sherbrooke Trust | 135.00 | .... |
| Sovereign Life Assce. 25% | 36.00 | .... |
| Standard Fuel 4% pfd. | 48.00 | 51.00 |
| Standard Fuel com. | 3.00 | 5.00 |
| Sun Life Assce. | 500.00 | 525.00 |
| Third Can. Gen. Inv. | 3.70 | 4.10 |
| Toronto Carpet pfd. | 97.00 | .... |
| Toronto General Ins. | 6.00 | 7.00 |
| United Farmers Co-op. | 3.00 | ... |
| United Steel A pfd. | 25.50 | 27.00 |
| University Tower | 6.75 | ... |
| Victoria Trust & Svgs. | 124.00 | .... |
| Waterloo Mfg. com. | 8.00 | 9.50 |
| Western Assurance com. | 64.00 | 67.00 |
| Western Grain com. | 1.75 | 2.25 |
| Western Grain pfd. | 35.00 | 38.50 |
| York Trading com. | 10.00 | 12.00 |

## Government Bonds

Feb. 11, 1947

(Supplied by Investment Dealers' Assoc. of Canada)

| % | Due | Bid | Ask. |
|---|---|---|---|
| **Victory Loans:** | | | |
| 3 | June 1951 | 105¼ | 105½ |
| 3 | Mar. 1954 | 105½ | 106¼ |
| 3 | Nov. 1956 | 105¾ | 106¼ |
| 3 | May 1957 | 104¾ | 105¼ |
| 3 | Jan. 1959 | 104¼ | 105¼ |
| 3 | June 1960 | 104¼ | 105¼ |
| 3 | Feb. 1962 | 104¼ | 105¼ |
| 2¼ | Mar. 1948 | 101 | 101¼ |
| 1½ | May 1947 | 100 | 100¾ |
| 1½ | Mar. 1948 | 100¾ | 102 |
| 1½ | Nov. 1948 | 100¾ | 101 |
| 1½ | Nov. 1950 | 100¼ | 101¼ |
| 3 | Oct. 1963 | 104¼ | 105¼ |
| 3 | Sept. 1966 | 104¼ | 105¼ |
| 1½ | Nov. 1949 | 100¼ | 101 |
| **Dom. of Canada Bonds** | | | |
| 3¼ | Nov. 1951 | 102¾ | 103¾ |
| 4 | Oct. 1952 | 101¾ | 102¾ |
| 3¾ | Feb. 1952 | 104¾ | 105¼ |
| 3 | Oct. 1952 | 102¾ | 103¼ |
| 3 | June 1955 | 104 | 104¾ |
| 4½ | Nov. 1957 | 102¼ | 102¾ |
| 3 | June 1958 | 104¼ | 105¼ |
| 4½ | Nov. 1958 | 104¾ | 105¼ |
| 4½ | Nov. 1959 | 107¼ | 107¾ |
| 3¼ | June 1966 | 106 | 106½ |
| 3 | Perpetual | 103¾ | 104¾ |
| **Dom. Guarant'd Bonds** | | | |
| **Can. Nat. Railways:** | | | |
| 3 | Jan. 1959 | 103¾ | 104¾ |
| 4½ | Sept. 1951 | •111¼ | •113 |
| 4½ | Feb. 1956 | •118 | •119¼ |
| 4½ | July 1957 | •119 | •120¼ |
| 3 | Feb. 1953 | 101¼ | 102¼ |
| 4¾ | June 1955 | •118¾ | •120¼ |
| 5 | Feb. 1954 | 117¼ | 118¾ |
| 5 | Feb. 1970 | •113¼ | •115 |
| 5 | Oct. 1969 | •112¾ | •114¼ |
| **Can. Natl. W. Ind. S.S.:** | | | |
| 5 | Mar. 1955 | •118¾ | •120¼ |
| **Grand Trunk Pacific Rly.:** | | | |
| 3 | Jan. 1962 | •105¼ | •107¼ |
| 4 | Jan. 1962 | •116 | •118¼ |
| **Montreal Harbour Com.** | | | |
| 5 | Nov. 1969 | •112¾ | •114¼ |
| **Provincial Govt. Bonds** | | | |
| **New Brunswick:** | | | |
| 3½ | Aug. 1949 | 100¼ | 101¾ |
| 3½ | June 1956 | 103¼ | 104¾ |
| 4½ | Apr. 1961 | 120 | 122 |
| 5 | Jan. 1960 | 123 | 125 |
| 2¾ | June 1966 | 98 | 100 |
| **Nova Scotia:** | | | |
| 3 | Jan. 1952 | 103¾ | 105¼ |
| 3½ | June 1956 | 104¾ | 106¼ |
| 3½ | Nov. 1950 | 105¼ | 107 |
| 4½ | Sept. 1952 | 102¾ | 105¾ |
| 4½ | Nov. 1960 | 121¾ | 124¾ |
| 5 | Mar. 1960 | 127 | 130 |
| 3 | June 1958 | 102¼ | 104 |
| **Ontario:** | | | |
| 3 | Nov. 1950 | 100¾ | 102¼ |
| 3½ | Nov. 1951 | 103¾ | 105¼ |
| 3½ | May 1955 | 106 | 107¼ |
| 4 | June 1962 | 119 | 121 |
| 4½ | June 1950 | 108¼ | 109¾ |
| 4½ | Jan. 1962 | 124 | 126¼ |
| 5 | Oct. 1948 | 105 | 105¼ |
| 5 | Dec. 1960 | 130 | 133 |
| 2¾ | July 1976 | 100 | 101¼ |
| **Ont. Hydro Commission:** | | | |
| 3½ | Feb. 1953 | 104 | 105¼ |
| 4 | Aug. 1957 | 114¾ | 117¾ |
| 2¾ | June 1971 | 100 | 101¼ |
| **Prince Edward Island:** | | | |
| 4 | Mar. 1954 | 101 | 103¼ |
| **Quebec:** | | | |
| 3½ | Mar. 1948 | 101¼ | 102¼ |
| 3¼ | Mar. 1959 | 105 | 106¼ |
| 4 | Nov. 1952 | 106¾ | 108¼ |
| 3¾ | Feb. 1955 | 106¾ | 108¼ |
| 4½ | Aug. 1958 | 114¼ | 116 |
| 4½ | Jan. 1963 | 120¼ | 122 |
| 3 | Feb. 1962 | 103¼ | 105 |
| **Alberta:** | | | |
| 3½ | June 1964 | 101 | 103¼ |
| 3½ | June 1959 | 102¼ | 104¾ |
| 3½ | June 1972 | 102¼ | 104¼ |
| **British Columbia:** | | | |
| 4 | Dec. 1957 | 113 | 115 |
| 4½ | Jan. 1951 | 108¼ | 111¼ |
| 4½ | Oct. 1953 | 113¼ | 115¾ |
| 5 | Apr. 1954 | 116¾ | 119¼ |
| 2¾ | Apr. 1966 | 99¼ | 101¼ |
| 5 | Sept. 1953 | 114¾ | 117¼ |
| **Manitoba:** | | | |
| 4 | Dec. 1957 | 112 | 115 |
| 4½ | Dec. 1956 | 116 | 119 |
| 5 | Dec. 1959 | 123 | 125 |
| 5½ | Oct. 1955 | 119 | 121 |
| **Saskatchewan:** | | | |
| 4 | Sept. 1954 | 101 | 103¼ |
| 4 | Nov. 1960 | 103¼ | 106 |
| 4½ | Oct. 1951 | 106¼ | 109 |
| 4½ | Mar. 1960 | 111¾ | 114¼ |
| 5 | Aug. 1958 | 113¾ | 116¼ |
| 5 | Dec. 1959 | 116¼ | 118¾ |
| 5½ | Oct. 1951 | 109¼ | 111¾ |
| 6 | Mar. 1952 | 110¼ | 113 |

•N. Y. funds.

## Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

Feb. 11, 1947

| Public Utility Issues: | Int. Rate % | Due | Bid | Ask. | Prev. Week Bid |
|---|---|---|---|---|---|
| ▲Alg. Cen.H.B.R. | 5 | '59 | 73 | 76 | 70¼ |
| †Assoc. Tel. & T. | 5½ | '55 | 106 | ... | 105½ |
| B. C. Elect. | 3½ | '67 | 100¼ | 102¼ | 100¼ |
| †Calgary Pwr. | 5 | '60 | 102¼ | ... | 102¼ |
| ♦Do. | 5 | '64 | 103½ | ... | 103 |
| ♦Gatineau Pr. A | 3½ | '70 | 103¼ | 105¼ | 103¼ |
| Do., B | 3 | '70 | 102¼ | ... | 102¼ |
| Gt. Lakes Pwr. | 4½ | '56 | 102 | 104¼ | 101¼ |
| Do. | 5 | '57 | 101¼ | 104 | 101¼ |
| •Int. Hydro-El. | 6 | '44 | 100¼ | 103 | 100¼ |
| L. St. Law. Pr. | 3½ | '65 | 102¼ | 105 | 102¼ |
| Mtl. L. H. & Pr. | 3½ | '56 | 102 | 104 | 102 |
| Do. | 3½ | '63 | 102 | 104 | 102 |
| Do. | 3½ | '73 | 99¼ | 101¼ | 99¼ |
| †Mtl. Tramways | 5 | '51 | 101 | ... | 101¼ |
| †Do. | 5 | '55 | 100½ | 103 | 100¼ |
| Nat. Lt. & Pwr. | 4½ | '61 | 102½ | ... | 102 |
| Otta. L. H. & P. | 4 | '57 | 101¼ | ... | 101¼ |
| †Power Corp. | 4½ | '59 | 104¼ | ... | 104¼ |
| Quebec Pwr. | 3 | '62 | 100 | 102 | 100 |
| St. Maurice Pr. | 2½ | '70 | 101 | 103 | 101 |
| Shaw. W. & P. | 3 | '71 | 100 | 102 | 100 |
| Do. | 4 | '69 | 104 | ... | 104 |
| Union Gas | 4½ | '50 | 101 | 103¼ | 101 |
| †United Secs. | 3 | '52 | 99¼ | 102¼ | 99¼ |
| Wpg. El. | 3½ | '71 | 102 | 104 | 102 |
| **Industrial and Realty Issues:** | | | | | |
| †Abitibi Pr. P. | 5 | '65 | 99¼ | 101¼ | 99¼ |
| Acadia-Atlantic Sugar | 3½ | '65 | 103 | 105¼ | 103 |
| Algoma Steel | 5 | '43 | 100¼ | ... | 100¼ |
| Aluminum Co. | 3½ | '74 | 105 | ... | 105 |
| †B. C. Pulp & P. | 6 | '50 | 100¼ | ... | 100¼ |
| †Do. | 7 | '50 | 100 | 102¼ | 100 |
| Brown Co. | 5 | '59 | 103 | 105¼ | 103 |
| Burns & Co. | 4 | '63 | 100 | 102¼ | 100¼ |
| Can. Celanese | 3½ | '59 | 102 | ... | 102 |
| Can. Steamship | 3½ | '57 | 101¼ | 103¼ | 101¼ |
| Can. W. Lum. | 4 | '62 | 101¼ | 104 | 101¼ |
| C. P. R. | 3½ | '51 | 103¾ | ... | 103¾ |
| Do. | 4 | '49 | 104¼ | ... | 104¼ |
| C. P. R. | 4 | Perp. | 108 | ... | 108 |
| †Consol. Paper | 3½ | '67 | 101¼ | 103¼ | 100¾ |
| Dom. Coal | 4½ | '52 | 100¼ | 103 | 100¼ |
| Dom. Scot. Inv. | 4 | '64 | 97 | ... | 97 |
| Dom. T. & Ch. | 3½ | '57 | 103 | ... | 103 |
| Dom. Textile | 3½ | '59 | 105 | ... | 105 |
| Dom. Woollens | 5 | '64 | 102¼ | 105 | 102¼ |
| †Donnacona P. | 4½ | '56 | 100 | 102¼ | 100 |
| Dryden Pap. | 4 | '61 | 101¼ | 104 | 101¼ |
| †Federal Grain | 4 | '64 | 102¼ | 104¼ | 102¼ |
| Gurney Fdry. | 5½ | '49 | 104 | ... | 103¼ |
| Ham. Cotton | 3½ | '59 | 100¼ | 103 | 100¼ |
| Imp. Tobacco | 2½ | '66 | 100 | 102¼ | 100 |
| Inter-City Bak. | 5½ | '48 | 99¼ | 102¼ | 99¼ |
| Indust. Accept. | 3½ | '66 | 100¼ | 103 | 100¼ |
| Ins. Ex. Bldg. | 5 | '51 | 99 | ... | 99 |
| Bowater's Nfld. P. & P. | 3½ | '68 | 100¼ | 102¼ | 100¼ |
| •Inv. Bd. & Sh. | 5 | '47 | 95 | 98 | 96 |
| Lake St. J. P. | 5½ | '61 | 101¼ | 104 | 101¼ |
| Do. | 5 | '61 | 101 | 103¼ | 101 |

## Commodities

| | Latest week | Previous week | Same week last yr. |
|---|---|---|---|
| Cattle | $13.52 | $13.30 | $12.04 |
| Hogs | 21.25 | 21.35 | 19.03 |
| Copper, lb. | .19½ | .19½ | .12 |
| Sugar, raw, lb. | .0820 | .0820 | .04205 |
| Coffee, lb. | .27⅜ | .27⅜ | .08⅝ |
| Hides | .25½ | .22 | .15½ |
| **Weekly Indices** | | | |
| U. S. Labor | 140.3 | 140.3 | 106.8 |
| Dow Jones | 123.78 | 120.94 | 107.00 |
| Fishers | 150.9 | 151.2 | 116.7 |
| **Monthly Indices** | | | |
| Retail (Jan.) | 127.0 | 127.1 | 119.9 |
| W'sale (Dec.) | 111.8 | 111.4 | 103.9 |
| U. S. (Nov.) | 139.6 | 134.1 | 106.8 |
| Gt. Brit. (Oct.) | 177.4 | 177.2 | 169.4 |

Note:—The base of indices is that 1926 equals 100. †Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good over 1,050 lb., top York. Coffee No. 4 Santos. Rio Sugar 96 degrees centrifugal c. f New York.

## Investment Trusts

| | Bid | Asked |
|---|---|---|
| Affiliated Funds | 4.74 | 5.19 |
| Can. Int. Trust | 4.30 | 5.25 |
| Can. Invest. Fund | 4.70 | 5.15 |
| Can. Inv. Corp. | 7.50 | 8.50 |
| Commonwealth Int. | 3.66 | 4.02 |
| Corporate Inv. | 9.15 | 9.85 |
| Trans-Canada (A) | 12.90 | .... |
| Do., (B) | .... | 13.40 |

## Corporation Bonds (Cont'd)

| | Int. Rate % | Due | Bid | Ask. | Prev. Week Bid |
|---|---|---|---|---|---|
| Legare | 6 | '61 | 100¼ | 103 | 100¼ |
| MacMillan (H.R.) Export | 4 | '65 | 102 | 105¼ | 102 |
| Maple L. M. | 3½ | '63 | 102¼ | 104¼ | 102¼ |
| Massey-Harris | 3 | '66 | 99 | 101¼ | 99 |
| McColl-Fron. | 3 | '71 | 99¼ | 101¼ | 99¼ |
| McCormicks | 4 | '52 | 101 | ... | 101 |
| Mercury Mills | 4 | '59 | 100¼ | 103 | 100¼ |
| Moirs Ltd. | 6 | '53 | 99¼ | ... | 99¼ |
| Montreal Apts. | 4 | '54 | 97 | 100 | 97 |
| N. S. Stl. Coal | 3½ | '63 | 98¼ | 101 | 99 |
| Price Bros. | 3½ | '66 | 102 | 104 | 102 |
| Silv. Dairies | 4 | '60-64 | 101¼ | 104 | 101¼ |
| Do. | 4 | '71 | 99 | 101¼ | 99 |
| Simpsons, Ltd. | 3½ | '60 | 103 | ... | 103 |
| Toronto Elevat. | 3½ | '66 | 101¼ | ... | 101¼ |
| United Corp. | 4 | '58 | 100¼ | 103 | 100¼ |
| †Western Grain | 5 | '63 | 97 | 100 | 97 |
| York Kt. Mills | 3½ | '71 | 99¼ | 102¼ | 99¼ |

•Payable in Can. or U. S.
†Payable in Can., U. S. or U. K.
°Payable in U. S.
♦Payable in Canada only.
▲Payable in Can. or U. K.

## DIVIDEND NOTICES

### THE BANK OF TORONTO

**DIVIDEND NO. 262**

Notice is hereby given that a Dividend of Thirty Cents per share on the Paid-up Capital Stock of this Bank has been declared for the current quarter, payable at the Head Office and its Branches on and after the first day of March next, to shareholders of record at the close of business on February 15th, 1947.

By Order of the Board.

B. S. VANSTONE,
General Manager.

### Woods Manufacturing Company, Limited

Notice is hereby given that a quarterly dividend of Fifty Cents (50c) per share on the No Par Value Common Shares of the Company has been declared for the quarter ending March 31st, 1947, payable March 31st, 1947, to shareholders of record February 28th, 1947.

By Order of the Board.

J. G. COSTELLO,
Secretary.

Montreal, January 22nd, 1947.

### Sylvanite Gold Mines, Limited

*(No Personal Liability)*

TO SHAREHOLDERS AND HOLDERS OF SHARE WARRANTS:

**NOTICE OF DIVIDEND NO. 66**

TAKE NOTICE that a quarterly Dividend of 2% (i.e., two cents per share) on the outstanding Capital Stock of the Company, payable in Canadian funds, has been declared as Dividend No. 66.

Such Dividend will be payable April 1st, 1947, to Shareholders of record at the close of business February 17th, 1947.

In the case of Share Warrants such Dividend will be payable on or after April 1st, 1947, in respect of the shares specified therein upon presentation and delivery of Coupon No. 66 at

The Canadian Bank of Commerce, Toronto, or any Branch of said Bank in Canada (far northern Branches excepted), or Liberty Bank of Buffalo, Buffalo, N.Y.

By Order of the Board,

W. S. WALTON,
Secretary.

February 7th, 1947.

### VIRGINIA DARE LIMITED

**DIVIDEND NOTICE — PREFERENCE SHARES**

A dividend of Thirty-one and one-quarter cents (31¼c) per share on the 5% Cumulative Redeemable Preference Shares of the Company has been declared for the three months ending March 1st, 1947, payable on March 1st, 1947, to Shareholders of record February 15th, 1947.

By Order of the Board.

G. I. TAYLOR,
Secretary.

Toronto, February 5th, 1947.

### Central Patricia Gold Mines Limited

(No Personal Liability)

85 Richmond Street West,
Toronto, Canada

**DIVIDEND NO. 43**

A dividend of 2c. per share (Canadian Funds) has been declared by the Directors on the capital stock of the company, payable the 31st day of March, 1947, to shareholders of record the 1st day of March, 1947.

Dated at Toronto, this 7th day of February, 1947.

By order of the Board.

ALAN COCKERAM,
Secretary.

### DISTILLERS CORPORATION-SEAGRAMS LIMITED

DIVIDEND NOTICE

Notice is hereby given that a dividend of fifteen cents per share in Canadian currency on the outstanding COMMON SHARES of the Company has been declared payable March 15, 1947 to shareholders of record at close of business February 24, 1947.

By Order of the Board,

A. M. HENDERSON,
Secretary-Treasurer.

Montreal,
February 4, 1947.

## Record of Financing

**Sales by Municipalities, Provincial and Dominion Governments, Offerings of Corporations and Foreign Securities**

**PROVINCIAL**

**Province of New Brunswick**—2¾%, 20-year term, (noncallable) $5,000,000, issued Feb. 7, 1947. Cost basis 2.85%. Sold to Nesbitt, Thompson & Co.; Imperial Bank; Fairclough & Co.; Gairdner & Co.; Anderson & Co.; R. A. Daly Co., and Dominion Bank.

**MUNICIPAL**

**Township of Langley, B.C.** — 3%, due July 2, 1948-66, $414,200, issued Jan. 25, $99.372. Sold to Lauder, Mercer & Co.; Harrison & Co. and Burns Bros. & Denton.

**Township of Barton, Ont.**—3%, due 1948-67, $34,000, issued Jan. 27, at $102.585. Sold to J. L. Graham & Co.

**Township of Louth, Ont.** — Due Feb. 1, 1947-67, $75,000, issued Jan. 27, at $102.81, cost basis 2.70%. Sold to Collier, Norris & Quinlan.

**City of Niagara Falls, Ont.**—2½%, due Feb. 15, 1948-52, $17,000, issued Jan. 27, at $101.16. Sold to Imperial Bank.

**CORPORATE**

**Canada Electric** — 3½%, first mortgage sinking fund, series 9, due Feb. 1, 1967, $1,500,000, dated Feb. 1, 1947, at $101 and accrued interest. Offered by Royal Securities Corp.

**PREFERRED STOCKS**

**Hanson's Wholesale Grocers** — $191,000, 5% noncumulative, redeemable, preferred shares ($100 par value). Offered at $100 per share by K. V. Gamble & Co.

**COMMON STOCKS**

**Canada Western Cordage**—20,000 class A cumulative preferential dividend, non-callable, convertible shares (no par value). Offered at $10 per share, to yield 5%, by The Western City Co.

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## DIVIDEND NOTICES

### H. R. Macmillan Export Company Limited

Shareholders are advised that Dividend No. 26 in the amount of ten cents per Common Share and a bonus of Ten Cents per share has been declared in respect to the first quarter of 1947, payable March 31st, 1947 to shareholders of record March 20th, 1947. The transfer books of the Company at the office of the Transfer Agent, The London and Western Trusts Company Limited, 455 Howe Street, Vancouver, B.C., will be closed from March 21st to March 25th, 1947, both dates inclusive.

G. D. Eccott, Secretary

Vancouver, B.C., January 30, 1947.

### Eddy Paper Company Limited

**NOTICE OF DIVIDEND ON CLASS A SHARES**

The Board of Directors has declared a quarterly dividend of 25 cents ($.25) a share on the outstanding Class A. Shares of the Company, payable March 15th, 1947, to Shareholders of record at the close of business on February 15th, 1947.

Cheques in payment will be mailed to the Shareholders of record. Stock transfer books will not close.

R. F. CALDWELL,
Secretary.

Hull, Canada,
February 5th, 1947.

### Belding-Corticelli Limited

**Notice of Preferred Stock Dividend No. 129**

A dividend of one and three-quarters per cent (1¾%) has been declared on the Preferred Stock of this Company, for quarter ending 28th February, 1947.

**Notice of Common Stock Dividend No. 84**

A dividend of One Dollar and a Half ($1.50) has been declared on the Common Stock of this Company, for quarter ending 28th February, 1947.

The above dividends are payable on the 1st day of April, 1947, to Shareholders of record at the close of business the 28th day of February, 1947.

By Order of the Board,

D. F. POLLOCK,
Secretary.

### McCOLL-FRONTENAC OIL COMPANY LIMITED

"COMMON STOCK DIVIDEND"

NOTICE IS HEREBY GIVEN that a Dividend of 50 cents per share has been declared on the no par value Common Stock of McColl-Frontenac Oil Company Limited, payable March 15th, 1947, to shareholders of record at the close of business on February 15th, 1947.

By Order of the Board,

FRED HUNT,
Secretary.

### Robinson, Little & Company, Limited

**Winnipeg, Manitoba**

**CLASS "A" SHARES — DIVIDEND NO. 1**

NOTICE IS HEREBY GIVEN that a dividend of twenty-five cents (25c) per share on the Class "A" shares of the Company has been declared payable on 1st March, 1947, to holders of record at the close of business on the 15th day of February, 1947.

By Order of the Board.

HERBERT J. SADLER,
Secretary-Treasurer,
Robinson, Little & Company, Limited

Dated at Winnipeg, Manitoba,
January 24th, 1947.

### UNITED DISTILLERS OF CANADA LIMITED

Notice of Dividend

Notice is hereby given that a Dividend of 50c per share has been declared by the Directors of the United Distillers of Canada Limited, payable in Canadian funds, on February 22nd, 1947, to shareholders of record at the close of business on February 10th, 1947.

The Transfer Books will be closed from the 11th day of February, 1947, to the 25th day of February, 1947, both dates inclusive.

By Order of the Board,

N. H. PETERS,
Secretary.

Vancouver, B.C.,
February 5th, 1947.

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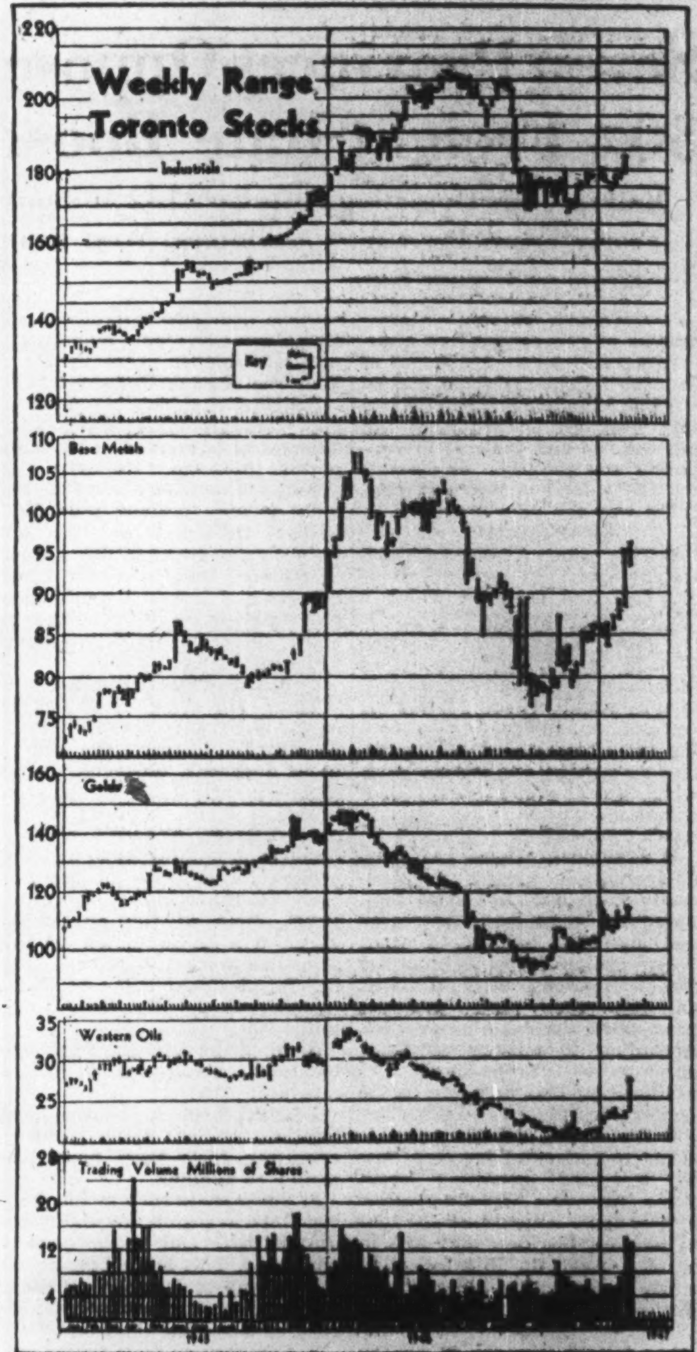

# Market Comment

Big question in investment circles after this week's almost continuous upward market movement is: are we back again in a primary bull market or have we merely reached the upper levels in a secondary uptrend? Opinion is split among analysts with the weight on the side of the latter theory.

The past week the New York Dow-Jones rail average confirmed the new high previously set by the industrials. The penetration was not great—scarcely a point—but volume was considerable. At present levels industrials on both New York and Canadian exchanges have recovered about half of their loss ssustained since last summer. By midweek evidence was still lacking that any extended sell-off was imminent.

**Barron's: The Trader (New York)** "As stocks are now not far from the levels which the steep slump of Sept.-Oct. began, substantial realizing may soon begin to develop . . . But not in tight credit conditions, high money rates, and better yields from bonds is there a menacing background of financial pressure upon stocks. Nor, in the current business statistics, is there yet evidence of the business let-down that has in the past developed within eight months after a market top precedent to a bad break. The glowing results of the 1946 corporate returns now coming to light are certain to be borne out in the first-quarter statements, still over two months from publication."

**Barron's: The Dow Theorist (New York)** "Strength shown by the Dow-Jones railroad and industrial averages last week in moving to new high levels tended to confirm the view that the primary trend of the market has been reversed, and that a bull market has been in effect since the low points were reached by both averages on Oct. 9, last.

* * *

**Greenshield & Co. (Montreal)** "While the general public seems to be having difficulty in making up its mind on what policy to follow (regarding stocks) substantial accumulation of equities has been going on for the accounts of institutions and other large investors. This institutional buying has been a factor of considerable importance in the market for better-grade common stsocks for some time back."

* * *

### New Highs and Lows

During the week ended Feb. 10 there were 16 new highs recorded among the "general" stocks traded on Canadian stock exchanges, and four new lows. In the mining group there were 13 new highs and six new lows. Two new high and no new low were recorded in the oil stocks.

**GENERAL**

**New Highs—1946-47**

Abitibi $1.50 p. n.
Algoma Steel com.
Fleury-Bissell pf.
Great Lakes "A"
Huron & Erie Mt.
L. of Woods M. pf.
Levy Bros.
Modern Tool
Ottawa El. Rly.
Price Bros. pfd.
St. Law. Corp.
Do., pref. A
St. Law. Pap. pfd.
Silknit
Traders Fin. B Rts.
Westminster P.

**New Lows—1946-47**

Can. W. Cable A
Celtic Knit
Edmond Mills
Quebec P. & P. pf.

**MINING**

**New Highs—1946-47**

Beveourt
Brewis
Cheskirk
Cons. C. Cad.
God's Lake
Heva G. M.
Macfie
New Marlon
Norzone
Ogama-Rock
Regcourt
Salmon
Sherritt-G.

**New Lows—1946-47**

Duvay
El Sol
Federal
Goldhawk
Lake Wasa
La Luz

**OILS**

**New Highs—1946-47**

Foothills
Freehold

**New Lows—1946-47**

Lethbridge

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**"Blue Chips" vs. Growth Stocks**

Our "Monthly Bulletin" for February compares the ten year record of 15 "Blue Chips" with a group of growth stocks. It reveals that the growth shares more than doubled in value while the "Blue Chips" declined in value and income return.

Other interesting growth companies are described in this Bulletin. Write for a copy.

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# Comments on MUTUAL LIFE Annual Statement

(Continued from page 11)

ing rate was accordingly 4%. By the Eleventh Annual Meeting in 1881, the yield on investments had fallen off to such an extent that a dividend scale based on 6% instead of the former 8% was adopted. By 1895 the interest rate had fallen to 5.21% and the valuation basis for all new and existing policies was strengthened by the adoption of a 4% interest assumption.

By the year 1900, the interest yield on Total Assets had fallen still further to 5% and the premium and valuation basis for new issues was changed to 3½%. As the interest yield continued at this "low" rate, the interest basis was further reduced to 3% at the beginning of 1903; and the 3% assumption was continued from 1903 to the present time, although from 1926 to 1935 a special series of policies was issued on a 3½% interest assumption.

### To Revise Rates

From a low point of 5% in 1900 the interest yield on Company Assets rose to a high point of over 6½% during the First World War and remained above 6% until 1930. The steady decline in interest rates which commenced in 1931 had reduced the yield on Company Assets to less than 5% by 1935, in which year the special series of 3½% policies was discontinued; but it will be noted that up to the year 1935 for the bulk of our business there was a margin of 2% between the gross interest rate earned and the interest rate used for the calculation of premiums and guaranteed benefits. We now have a parallel situation to that which existed at the turn of the century. With our earning rate reduced to 3.96%, and with the investment market characterized by the refunding of bond obligations at lower interest rates as evidenced by the purchases I have mentioned of over $46 Millions of Bonds at an average yielding rate of 2.80%, in fairness to present policyholders and in the interests of safety it is necessary for the Company to consider whether future prospects warrant the continuing of the calculation of premium rates and policy values on a 3% interest basis. It is obviously inimical to the interests of our existing body of policyholders to continue to issue a large volume of new business at premium rates which require the investment of funds at a yield higher than can be justified by the present outlook, especially as it has been stated that Government interest rate policy was specifically designed to maintain rates at their present low level and authoritative opinion forecasts that money rates will continue to be easy and that high-grade bond prices generally will hold fairly close to recent average prices

From the gross interest yields I have mentioned investment and management expenses must be paid, and it is a fortunate investor who is able to invest millions in long-term obligations without some losses of interest and principal. Under such circumstances, our Company proposes at an early date to meet the situation by changing to 2½% as a proper assumption for premiums and values—not because interest is expected to drop to this figure but because if earning rates on investments remain at the current level or drop somewhat lower, which we hope is unlikely, the earning rate of 2½% to be assumed may be expected to provide an adequate working margin.

### Increase Premiums, Reserves

Our Company will be one of the first in Canada to take action of this nature although a number of American life insurance companies have already changed or have announced intention to change the interest and also the mortality basis, commencing with 1947. The practical effect of the reduction in the interest assumption will be to increase premiums, to increase reserves on the business affected, and also to increase cash values.

Life insurance companies issuing participating policies are classified generally into those which use high, medium or low premium rates. Prior to 1930 our Company was classified as a "high premium" company, but our participating rates have been in the "low-premium" group since the introduction of a new series of policies in 1931. Some of the traditionally high-premium United States companies have recently adopted rates very much higher than our proposed new 2½% premiums, and some are basing their contracts on a 2% interest rate. Included in this group are companies have consistently provided insurance at remarkably low net cost. Our new gross premiums will continue to be lower than those of a number of competing companies.

In the final analysis the net cost of insurance to policyholders of a mutual life insurance company is not governed by the gross premium but by the actual interest earnings, the mortality experience and the administrative efficiency of the company. In order to fulfill the guarantees, interest earnings of only 2½% per annum will be required on the new series of policies, so that the interest margin for dividend purposes will be enlarged. The Canadian Men (5) Table will continue to be used, so that mortality margins remain unaltered. There is accordingly no reason to believe that our premier position with respect to low net cost performance will be disturbed by the proposed change in basis.

### No Temporizing Policy

In the face of the results of a year's operations quite satisfactory in all respects it might not be unreasonable to question the propriety and timeliness of the changes proposed and whether some alternative action might not be adequate. A course which is immediately suggested is that of applying a portion of earnings to lower the interest assumption on new business; but assuming that the yielding rate on new investments remains at the current level for a number of years, the reserves on new business requiring to be supported increase progressively and the suggestion made would accordingly shortly prove not to be feasible. The imposing of any burden of additional cost on the premiums of the insurance in force, calculated on a 3% basis, would reduce the margin available for mortality and expenses and would shortly result in a situation which would not be tenable. While the changes which time may bring are unpredictable, in a few words the situation may be summarized by stating that the prospects do not indicate the adoption of a temporizing policy.

The first considerations in all our operations are security and the ability to meet contracts under the most adverse conditions which may reasonably be anticipated. On this account a downward revision of the interest assumption is clearly indicated and should not be evaded because of false optimism or competitive considerations. I think there can be no question respecting the soundness of the action which it is proposed to take.

The maintenance of adequate staffs at Head Office and Branches has been troublesome. At Head Office of the 437 employees on January 1, 1946, 114 left our services and were replaced by 128 new employees, mostly inexperienced. Training being required before new employees are capable of assuming duties of responsibility, it has proven difficult to keep pace with the considerably expanded growth in our business, especially in the Underwriting and Policy Departments. The patience shown by those affected by the unavoidable delays thus occasioned is appreciated, and it is obvious that allowance has been made for the pressure under which the work at Head Office and Branch Offices has had to be handled. Prospects would indicate that this situation will shortly be eased and permit the prompt service to which we have been accustomed. Not only has the Field Force had an active year, but the Officers and Staff at Head Office and at Branch Offices are entitled to commendation for the efficient manner in which their duties have been discharged.

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48-31

# Seven Provinces Oppose 30% Freight Rate Boost

## Railways Say Operating Costs Up $132 Millions Yearly From Pre-war – Maritimes, West Fear Effects of Higher Rate

MONTREAL (Staff) — After months of propaganda and arguments pro and con the Board of Transport Commissioners opened the freight rate hearing in Ottawa this week. Seven provinces (all but Ontario and Quebec) are opposing the railways' application for a 30% increase. Here, briefly. is the way the sides line up:

### RAILROADS

● **They want:** A horizontal 30% freight rate increase. Exceptions are coal and coke on which a sliding scale tonnage increase is requested. Grain from western Canada is not included, since freight on this commodity is covered by statute. (Crow's Nest Pass Agreement). Railroads also want the same increase on all miscellaneous services and express rates which are at present lower than standard express rates due to truck competition.

● **Argument:** There has been no increase in freight rates generally since 1922. But since 1939, operating costs have increased and by $132 millions a year. Wages are up 27.5%; railroad ties 94%; lumber 58%; steel rails 32%. On the other hand, revenues have been declining since 1945. According to railway estimates earnings will drop another $5 millions in 1947 if there is no freight increase.

● **History:** In 1917 the railroads asked a horizontal increase, due to increased operating costs. Some increases were permitted at this time—approximately 10% in western territory and 15% in eastern. Again in 1918 following wage increases to railroad employees, another freight increase of 25% was allowed. In 1920 another freight increase of 40% in the East and 35% in the West was allowed.

The following year (1921) freight rates were reduced in the eastern and western territories which left the railroads with a 25% and 20% increase on the 1918 rates.

### PROVINCES

● **They want:** To maintain the present effect of the freight rate differentials. If possible they would like to equalize the freight rates across the country further. They **don't** want a horizontal increase.

● **Argument:** They are not necessarily admitting that the rails need a freight rate increase and they have to be shown that 30% is required. However, if it can be proved that some increase is necessary the provinces contend that it should not be applied to all parts of Canada equally. This is the question over which the fiercest battle is likely to rage.

All seven provinces have not the same argument. The Maritimes, represented by the Transportation Commission of the Maritime Board of Trade, are out to maintain the benefits which they received under the Maritime Freight Rates Act. 1917. Under this, rates in the Maritime region were reduced substantially below the Quebec-Ontario level. Now, they reason, if an over-all increase goes through, some of this benefit will be lost. They point out that hauling distances from the Maritimes to central Canada are longer than in Quebec-Ontario, thus making the dollar value of freight costs higher.

### West Sees Discrimination

In western Canada the situation is somewhat different. There freight rates are, on the whole, higher than in the Quebec-Ontario region. Their argument is that grain shipments to Vancouver or the lakehead go at low rates. But, they point out, the rates on manufactured goods from the central provinces are higher.

Alberta has an argument all its own. It contends that certain commodities can be shipped from Quebec-Ontario to Vancouver and back to Edmonton, more cheaply than directly to Edmonton. This, of course, is the result of competitive freight rates, to keep traffic which might otherwise go via the Panama Canal. The western provinces, therefore, say a 30% increase would make their rates still higher proportionately than the Quebec-Ontario levels.

British Columbia's big point is the mountain differential. This differential is arrived at by computing mileage through the mountains on the basis of 1¼ miles to one "prairie" mile. The British Columbia or "Pacific" freight rates are also higher than the Quebec-Ontario region. Thus a horizontal increase would also put these rates proportionately higher than Quebec-Ontario due to longer hauls.

### Board's Powers Limited

These are some of the basic issues likely to come up during the hearing. To solve the underlying problems, however, would require greater authority than the Board of Transport Commissioners possesses. Canada's railway problem is nothing new, and the present freight rate hearing has been likened to history repeating itself. Most of the arguments which will be presented by the provinces were also presented to the Royal Commission on Dominion-Provincial Relations prior to the war.

Some of the difficulties encountered in establishing a freight rate are:

1. Differences in geographical location, which make railway operating costs vary from one section to another.

2. Some areas such as the Quebec-Ontario region are highly industrialized, and more densely populated. This has a bearing on the volume of freight traffic and the type of commodity carried. Also cuts hauling distances.

3. Competition from trucks and lake boats is much greater in the Quebec-Ontario region.

It was pointed out in the Sirois Report that the railroads initiate any changes in freight rates. Thus applications for freight increases are primarily aimed to ease the financial burden on these companies. For this reason, it is believed that a freight rate hearing is not broad enough in scope to make radical changes in the rate structure.

## Bond Redemptions

| Bond Issues: 1947: | Rate | Year | Due | Price |
|---|---|---|---|---|
| Algoma Cen. Ter. | 5% | 1959 | Mar. 15 | 125 |
| ‡Beauharnois L. | 4½% | 1973 | Mar. 1 | 104 |
| ‡Can. Electric A | 4½ | 1965 | Mar. 1 | 102 |
| Can. Breweries | 3½-3¾% | 1947-49 | Mar. 15 | 100½ |
| Do. .......... | 3¾% | 1950 | Mar. 15 | 100¾ |
| Do. .......... | 4% | 1951 | Mar. 15 | 101 |
| Do. .......... | 4½% | 1952-53 | Mar. 15 | 101½ |
| Do. .......... | 4½% | 1954-56 | Mar. 15 | 102¼ |
| Do. .......... | 4½% | 1957-60 | Mar. 15 | 102¼ |
| Do. .......... | 4½% | 1961-62 | Mar. 15 | 103 |
| ‡Columbia Pwr. | 6½% | 1951 | Mar. 1 | 101 |
| ‡Good Rich R. | 3-5% | 1947-49 | Mar. 15 | 100½ |
| ‡Do. ....... | 3-5% | 1950-51 | Mar. 15 | 101 |
| ‡Do. ....... | 3-5% | 1952-54 | Mar. 15 | 101½ |
| ‡Do. ....... | 3-5% | 1959 | Mar. 15 | 103½ |
| ‡Inter. Paper ... | 6% | 1955 | Mar. 1 | 105 |
| ‡Lindsay, C. W. . | 6% | 1958 | Mar. 1 | 105 |

‡All outstanding.

## Municipal Bonds

Feb. 11, 1947

| | % | Due | Bid | Ask. | Yld. % |
|---|---|---|---|---|---|
| Halifax .... | 3½ | 1965 | 104¼ | 105¾ | 3.08 |
| Hamilton .. | 5 | 1950 | 108¼ | 109¾ | 1.95 |
| Montreal .. | 3 | 1966 | 99 | 100½ | 2.97 |
| Ottawa . .. | 3 | 1953 | 105¼ | 106¾ | 1.90 |
| Quebec .... | 3 | 1964 | 98 | 100 | 3.00 |
| †Vancouver. | 5 | 1970 | 132 | 134 | 2.95 |
| †Quebec ... | 5 | 1959 | 118 | 121 | 2.97 |
| Saint John . | 4 | 1950 | 104 | 106 | 2.42 |
| †Toronto .. | 4½ | 1955 | 115 | 118 | 2.05 |
| Winnipeg .. | 6 | 1950 | 111 | 113 | 2.05 |

†Payable Canada and New York.

## Winnipeg Grain Futures

Week to Feb. 10, 1947

| Crop year from Aug. 1, 1946 High | Low | | High for week | Low for week | Close Feb. 10 |
|---|---|---|---|---|---|
| | | **Oats*** | | | |
| .51½ | .51⅛ | May ..... | .51⅛ | .51½ | .51⅛ |
| | | **Barley*** | | | |
| .64¾ | .64¾ | May ..... | .64¾ | .64¾ | .64¾ |
| | | **Rye** | | | |
| 2.82⅝ | 1.69½ | May ..... | 2.82⅝ | 2.73⅞ | 2.80¼ |
| 2.56¾ | 2.11⅞ | July ..... | 2.56¾ | 2.50½ | 2.53⅞ |
| 2.15 | 1.81½ | Oct. ..... | 2.06⅝ | 1.98⅞ | 2.04½ |

*At ceiling.

## Cash Quotations

For Week

| | Feb. 10 High | Feb. 10 Low | Prev. Week High | Prev. Week Low |
|---|---|---|---|---|
| **Oats*** | | | | |
| 2 C. W. .. | .51½ | .51½ | .51½ | .51½ |
| 3 C. W. .. | .51½ | .51½ | .51½ | .51½ |
| **Barley*** | | | | |
| 1 Feed .. | .64¾ | .64¾ | .64¾ | .64¾ |
| 2 Feed .. | .64¾ | .64¾ | .64¾ | .64¾ |
| **Rye** | | | | |
| 2 C. W. . | 2.87⅝ | 2.79¼ | 2.79 | 1.67 |

*At ceiling.

**HERMAN PRESS**

**of New York has been elected a director of the Montreal Locomotive Works Ltd.**

# Orange Crush On 60c Basis

Orange Crush Ltd. common stock was placed on an annual 60c. dividend basis with this week's declaration of an initial quarterly dividend of 15c. payable May 1, 1947, to shareholders of record March 31.

Shareholders should not expect too much in the way of dividends for the next year or two, Chairman of the Board E. P. Taylor, told the annual meeting, as present plans tend toward capital appreciation.

Results for the first quarter of the current fiscal year were up to expectations, it was stated. Entering the United States required considerable courage. But the United States soft drink industry presented great potentialities and Orange Crush Co., the American subsidiary, intends to expand its activities, particularly in the metropolitan areas, it was stated.

In the fiscal year ended Oct. 30, 1946, Orange Crush Ltd. and its subsidiaries including Orange Crush Co. Chicago, (for a ten-month period), showed earnings of $2.47 a share on 250,000 shares outstanding, $1.03 being attributable to Canadian and $1.44 to American operations, according to a descriptive analysis prepared by Davidson & Robertson, Canadian investment house

# Most Life Firms Soon On 2½% Interest Basis

Mutual Life Assurance Co. of Canada will shortly start calculating its premium rates and policy values on an assumed interest earnings rate of 2½% instead of 3% as at present, W. H. Somerville, vice-president and general manager announced at the annual meeting in Waterloo last week.

He said the move did not mean interest rates were expected to drop to 2½% but rather that, if the earning rate of investments remained at current levels or dropped lower, the 2½% rate could be expected to provide an adequate working margin. Practical effect will be to increase premiums on new policies, increase reserves on business affected and increase cash values. Only new policies will be affected.

The move was not surprising to other insurance company executives. Although the Mutual is believed the first Canadian company to make the change, various U. S. companies have been preparing to take similar action. The lower basis for insurance companies is a direct result of the low interest rates on high grade investments.

Here's how executives of other companies took the news:

First executive—"We'll all be doing the same thing before long. It really is a constructive move, facing firmly and fearlessly the prevailing low rates of interest."

Second executive — "All companies that I know of are moving in the same direction. Many U. S. companies have already acted and Canadian companies operating in the United States are making preparations to go on a 2½% basis by Jan. 1."

Third executive—"It's quite a drastic step and personally I did not expect it so soon. Our company is on a 3½% basis which is too high. We'll have to make some adjustments."

Fourth executive—"There is a general trend to a 2½% basis but the speed of the different companies in getting there varies. Some companies have been putting certain types of annuities on a 2½% basis for some time."

Fifth executive—"The move is not at all surprising. Our company is going to a 2½% basis in the United States on Jan. 1; but we have no plans for Canada yet."

Sixth executive—"All companies are working to a lower interest basis. The difference in premium rates won't amount to very much, none in the net cost of insurance. There'll be lots more companies doing the same thing by the end of the year."

## *Marlon Cuts Ore At 450-ft. Level*

A wide ore section has been cut by New Marlon Gold Mines in crosscutting from the shaft at the bottom or 450-ft. level, The Financial Post is informed.

A width of 11.5 ft. in the south wall of the crosscut averages $14.60 a ton, of which the central 6½ ft. averages $25, it is stated.

Like many other operations in northern Canada, New Marlon has been practically closed down by the heavy snows with the crew unable to reach the property. It is expected that driving south will be started on the central section after some slashing at the junction of the crosscut and ore zone to provide "elbow room."

## Weather Cripples West Flour Mills

From Our Own Correspondent

WINNIPEG—The transportation tie-up of the last 10 days caused by the weather has forced a shutdown of many small flour mills in the western provinces and threatens to close down some of the big ones in Winnipeg.

At last week end the Purity Flour Mills announced that it would have to suspend operations this week unless wheat supplies were available. The Ogilvie Flour Mills, which normally receives nine cars of wheat a day, received only five carloads in six days.

Normally the flour mills get in large stocks of wheat in the fall. Last year they couldn't do so because so many cars were allocated to the head of the lakes to get wheat supplies to the terminals for overseas export. The result was that the mills were caught with practically no reserves.

**ROYAL TRUST CO.** 1946 net profit was off 11.7% at $439,561. Gross earnings of $3,452,000, up $295,000 from the previous year, represents a record high. Expenses, before taxes, on the other hand, also represented a record high at $2,718,000—up $352,000.

Assets under administration, including the company's own and guaranteed accounts, are estimated at $901,000,000—up $19,000,000. There has been a substantial expansion in estates and trusts departments, both in active accounts and in new appointments which have yet to become effective, it is stated. Real estate sales handled by the company were again at a high level. The bond trusteeships and stock transfer departments had a very active year as a result of new financing, the refunding of issues at lower rates, and the activity of the stock markets. The management and safe-custody business continues to grow as investment problems increase.

After a special contribution to staff pension fund of $33,750, a reserve for bonus to shareholders of $60,000 and dividend provisions of $320,000, there remained $25,811 to be carried forward to balance.

| | 1946 | 1945 |
|---|---|---|
| Liabs. to pub., etc.* | $13,999,489 | $14,636,744 |
| Shareholders' equity | 8,163,008 | 8,137,197 |
| *Secured by: | | |
| Mortgages ....... | 976,076 | 1,156,833 |
| Realty for sale .. | 1 | 1 |
| Office premises .. | 885,853 | 920,851 |
| Other assets‡ .... | 20,300,567 | 20,696,256 |
| Total ............ | 22,162,497 | 22,773,941 |
| ‡Includes stocks and bonds, and $190,003 stocks of subsidiary co's. | | |
| Estates account .... | 878,821,191 | 859,820,026 |
| Sec. against cont. liab. ........... | 35,683 | 34,833 |
| Earned per share.. | $4.40 | $4.98 |
| Paid ............. | 3.20+0.60 | 3.20+0.60 |

## *U. S. Frees Meat Fish Prices Fall*

From Our Own Correspondent

WINNIPEG—Removal of meat rationing in the United States has had a serious effect on the Manitoba fishing industry. Price of whitefish and trout has dropped five cents a pound within six weeks.

The bog-down in the market is partly relieved because, this winter, there has been an unusually light catch. In the large lakes of the province, chiefly Lake Winnipeg and Lake Winnipegosis, the take may not be much more than half what it was a year ago, and even then it was light at 5.6 million pounds. This season conditions will have to be a lot better than they appear now if it is to reach 3 million pounds.

Whether the lakes have been fished out is a point now worrying the natural resources branch. There have been slim seasons before and the experience of the fishermen is that there are cycles of good years and bad, and nothing can be done about it.

# Canadian Loco. Works at Peak

All employees of Canadian Locomotive Co., Kingston, Ont. are now back on a 44-hour week basis, William Casey, president and general manager tells The Financial Post. The company is employing around 800 at present.

The order for 20 locomotives for the CPR is practically finished he reported, and the company is now working on an order for 40 locomotives for France. First deliveries are expected this week. Present orders ensure capacity operations to the middle of 1947.

The annual report for 1946 should be available about the middle of March. Meanwhile, declaration of an extra dividend of $1 a common share payable along with the regular annual payment of $1 on March 1, 1947, would indicate that results have been satisfactory. This was the first bonus paid by the company.

Earnings were officially estimated at $525,000 after all charges including depreciation, taxes and reserve for contingencies for the first six months of 1946. This is equivalent to $3.29 a common share for the period, against $1.14 excluding, or $4.83 including refundable EPT for the whole of 1945.

But working hours were cut at the end of June from a 44-hour week to a 32-hour week, and in early November about 60% of employees were still on the 32-hour week basis. This cut, together with the trend to higher operating costs, seems likely to mean slightly less favorable results for the second half of 1946.

**CALDER BOUSQUET GOLD MINES** says that Feb. 1 installment of 100,000 shares at 35 cents has been extended for three months and a similar extension granted on each subsequent installment.

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# New Bricklayers — Where Are They?

## *6,000 Building Trades Apprentices Now in Training But Industry Needs 60,000; Veterans Not Enough*

**By CLIVE CHATTOE**

Canada a year ago was training 2,000 building trade apprentices—against an overall deficit of 60,000.

Construction leaders, including labor, were aghast. Building orders were piling up for an all-time record $600 millions to $800 millions annual demand. A major boost in building supply output was in the blueprint stage. But, discounting a one-year influx of veterans, building labor training was barely limping along. So, last February, an emergency national conference of construction labor and management drafted heroic measures to speed civilian labor training within provincial apprenticeship legislation, labor union regulations and a new Dominion-Provincial vocational training setup.

### 6,400 on Job Now

Today in the nine provinces a good round 6,400 are enrolled for on-the-job construction training, a three to four year, largely half-pay grind toward master mechanic status.

"Is that good?" ask hundreds of would-be builders, now stymied by high and rising construction costs, stubborn shortages of labor and materials.

"Not good enough," most construction labor and management leaders admit. They readily acknowledge the 1946 speedup after 16 years "stagnation and neglect" is another case of too little and late; blame lethargy in the ranks of industry and government, as well as the disturbances of depression and war.

Let's look closely at the figure of 6,400 trainees now plodding through job-training. How soon will they be ready to give a skilled full day's building work for a day's pay? What assurance does their present number give that recruiting in 1947 won't tumble? How many potential building tradesmen must we induct for training in each of 1947, 1948 and 1949 if Canada is to meet apparent construction needs into the 1950's? And where are we to find any such numbers?

The answers aren't too reassuring.

Relatively few 1945-46 inductees will be full-fledged bricklayers, plasterers, plumbers, etc. until 1949. True, quite a few veterans with earlier partial training are ready now; a lot more may be ready next fall or early next year. And civilian boys enrolled in late-wartime, now are "graduating" annually in small numbers. But the bulk of the current crop won't be harvested for another two or three years unless the present training pace is greatly stepped up.

This year's roster is a poor indicator of what's ahead.

The figure of 6,400, far from affording a measure of probable future annual induction, breaks down to roughly three-quarters veterans and only one-quarter civilian boys. And the veteran source, of course, is non-recurrent and just about exhausted.

The figures appear to indicate only a very modest start has been made in the construction industry drive to expand youth training for the building trades. Allowance must be made for the insurge of veterans—training capacity is limited and the program for civilians undoubtedly was elbowed into second place. But little has been done to prepare for mass induction from teen-age ranks and even the existence of such a pool — construction-minded boys — recently has been widely doubted in construction industry quarters.

Competent construction leaders and observers are warning the 1946 performance record must be sharply bettered if minimum trainee needs are to be met and a new and major building bottleneck avoided.

### 78% Short of Target

Nationally, apart from the big contingent of veterans in training, the picture isn't bright.

Of the 4,391 new apprentices "placed out" in 1946 for the first time for construction job-training, only 1,123 or 26% are civilian boys, the bulk veterans. That means that if civilian recruitment isn't vastly expanded this year, the industry will achieve little more than a quarter of the adopted quota for 1947.

Here are Dominion and provincial totals of 1946 building apprentice job assignments, showing proportions of boys and veterans, and set against the annual target of the National Joint Conference of the Construction Industry:

**How Veteran Apprentices Outnumber Civilian Boys Three to One**

| | Apprentices† placed on jobs in 1946 | Civilian boys No. (and %) | Veterans No. (and %) | Annual target of NJCCI* for civilian boys |
|---|---|---|---|---|
| Canada | 4,391 | 1,123 (26) | 3,268 (74) | 4,994 |
| Nova Scotia | 144 | 72 (50) | 72 (50) | 500 |
| New Brunswick | 92 | 37 (40) | 55 (60) | 165 |
| Quebec | 230 | 58 (25) | 172 (75) | 1,800 |
| Ontario | 1,940 | 363 (19) | 1,577 (81) | 1,567 |
| Manitoba | 552 | 123 (22) | 429 (78) | 187 |
| Saskatchewan | 233 | 30 (13) | 203 (87) | 115 |
| Alberta | 600 | 240 (40) | 360 (60) | 230 |
| British Columbia (est.) | 600 | 200 (33) | 400 (67) | 420 |

†Substantial additional number, possibly over 2,000, at year end were in school courses or waiting job-training opening, including 1,282 veterans in Ontario alone.
*National Joint Conference of Construction Industry, 1946 Feb. session, Ottawa.

### CCA Call to Action

The alert Canadian Construction Association—many of whose contracting members incidentally haven't been lending a hand to the belated apprenticeship push — is still trying to arouse the industry to the seriousness of these implications. The CCA, at its recent Niagara Falls convention, declared shortage of skilled labor "critical" in most building trades and parts of the Dominion. Defining this as chief factor in "the low average level of efficiency of construction labor generally," the association by resolution called for extension and streamlining of the present training program.

The requirement—as seen by construction leaders like Joseph M. Pigott and W. D. Black, and as agreed upon a year ago within the National Joint Conference of the Construction Industry (representing labor unions as well as management associations) — is vastly steeper than the present scale of civilian training suggests.

Just how many new building tradesmen do we actually need, under existing process and industry organization of construction?

Otis-Fensom Elevator President a year ago wrote this:

"To reduce Canada's working force of skilled building mechanics developed before and during the expanding 1920's, natural and economic processes of attrition have been operating with now disastrous effect—death, retirement, the attraction of more active and stable industries, and the war.

"The speed and extent of postwar construction expansion—with its high potentialities as a source of widespread direct and indirect employment — depends directly upon a corresponding expansion of efficient on-site construction labor. The construction industry now therefore must induct large numbers of men and train them rapidly if postwar construction is to play anything like the part visualized for it by our postwar planners."

### 60,000 Boys Wanted

At about the same time, Joseph M. Pigott, Hamilton contractor and acknowledged authority on building labor needs and training, told a Canadian Construction Association convention session at Winnipeg:

"The construction industry needs 60,000 more skilled building mechanics than will be available after release of all the 29,000 once in the armed forces. Canada has only 100,000 such mechanics, including the returning veterans, and only 2,000 apprentices in active training (Jan. 1946).

"We need 60,000 new mechanics. It takes three to four years to train an apprentice. To place any such numbers of boys or men in training is impractical. We have 100,000 mechanics. Under normal conditions the ratio should be eight mechanics to one apprentice; under present conditions it should be five to one or four to one until the shortage is made up.

"We should have 15,000 to 20,000 civilian apprentices now instead of the present 2,000, and then keep them coming at the rate of 5,000 a year. Unless we put 20,000 apprentices into training with all possible speed, and keep training at that level, we can't carry out the programs the nation demands and will have to get out of the way."

On top of these demands for big plans and decisive action came this statement of policy agreed upon by labor and management in the authoritative National Joint Conference of the Construction Industry (Feb. 1946):

"If we are to meet the volume of construction that plainly faces the country (actual 1946 contract award total $663 millions and something like $800 millions widely predicted for 1947, against the previous dollar volume peak of $580 millions in 1929) we must train all the apprentices the industry can absorb . . . This figure may reasonably be placed at 5,000 a year, with emphasis on the 'trowel trades' (bricklayers and plasterers)."

### Barriers Formidable

Five main barriers to quick expansion of apprenticeship in the building trades are these, as oftenest cited by men in the industry:

1. "White collar mindedness" of the average Canadian male 'teenager; pronounced distaste on his part for the tough "outdoors" job and relatively low average annual income offered by construction.

2. Resistance—not all of it active or declared—by AFL-CTLC labor union locals to such large-scale increase in skilled labor ranks as might hold threat of future wage decline.

3. Apathy on the part of rank and file construction contractors, though many notable exceptions.

4. Lateness of entry of several provinces upon government organization and assistance for youth training and apprenticeship; inadequacy of present school facilities in some provinces.

5. Training period too long (could it be crammed into 2 years, instead of the customary 3 to 4?); training pay too low (could it be hiked to 75% of mechanics' rate for an intensified course, instead of the four-year-average 52.5% recommended by the National Joint Conference?); no incentive bonus for exceptional proficiency, progress, initiative (should not these be recognized in pay and promotion while training, as they are in many cases after "graduation"?).

These tight brakes on building apprenticeship won't be loosened with a toothpick, may take a long time to fix even with a crowbar in the hands of aroused construction management. But there is at least one new and hopeful factor as the 1947 building season approaches:

Building materials output gradually is surpassing previous peak production levels of the late 1920's (The Financial Post, Construction Trends, Nov. 30). And demand is still rising into all-time high ground for most kinds of building and construction. In combination these factors appear to mean that the shortage of bricklayers, plasterers and some other groups of skilled building tradesmen will be felt more keenly; probably will vie with the deficit in materials as prime building bottleneck of 1947.

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# Municipalities of B.C. Shy of Goldenberg Plan

From Our Own Correspondent

VANCOUVER—The new era heralded between the municipalities and the province of British Columbia before publication of the report of H. Carl Goldenberg, Royal Commissioner on B.C. provincial - municipal financial affairs, has failed to bring peace and goodwill to all. General reaction among municipal and civic leaders is "it hasn't gone far enough."

It was expected there would be some clarification shortly, with Premier John Hart's announcement that the report would be implemented in full during the session of the provincial legislature which opened Tuesday. How far the advantages of social services would go in offsetting real estate taxation was not known.

In brief Mr. Goldenberg's proposals, of which there were 60, are:

### Provincial Obligations

1. Increased grants for education of $860,000 of which $600,000 would go to the municipalities.
2. Take over 80% of the costs of all social service.
3. Relieve municipalities of unemployment relief cost.
4. Provide funds for the payment of 80% of hospital deficits attributable to indigent cases.
5. Extend the health unit system on the basis of financial arrangements adopted in 1946.
6. Pay for transporting prisoners to provincial jails and maintaining them there.
7. Eliminate the maximum of $570,000 on grants to municipalities from motor vehicle license revenues, permitting a payment of an additional $730,000 annually.
8. Pay for construction and maintaining arterial highways and part of the cost of constructing and looking after primary and secondary highways in all municipalities with a population not in excess of 15,000.
9. Grant special assistance in financing cost of construction of streets which form part of specified arterial highways within the boundaries of cities with a population of more than 15,000.

### Municipal Obligations

1. Introduce a business tax to be levied on all occupiers of premises used for carrying on any business, trade, profession or other occupation except agriculture.
2. Levy uniform taxes on 75% of the assessed value of improvements.
3. Increase taxes on public utilities.
4. All financing in municipalities, except Vancouver, to be done only by serial debentures with sinking funds being gradually eliminated.
5. Ban financial assistance to private business ventures except hospitals, charitable institutions and relief for the poor.
6. Tax sales receipts should be used only for debt reductions, special reserves for capital purposes or for expenditures of a special nature.
7. Discourage fixed assessments.

### Other Recommendations

1. Crown properties and buildings owned by the Dominion and Province and used for commercial purposes, to pay full taxes.
2. Where there is an undue concentration of dominion or provincial government property used for governmental purposes, the municipality should receive an annual grant in lieu of taxes.
3. Municipalities should be permitted to tax beer parlors.
4. Consideration should be given to amalgamating the City of Victoria and the three adjoining municipalities.
5. Uniform accounting practices should be established for municipally-operated public utilities.

H. Carl Goldenberg, Royal Commissioner, was director general of the Economic and Statistics Branch of the Department of Munitions and Supply during the war.

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# Canadians Replace Bank Deposits After Canada Savings Bond Drive

Although government spending has been declining steadily since the war ended, Canadians are still able to increase their bank deposits, the return of the chartered banks to the Finance Minister as at Dec. 31, reveals.

Total demand and savings deposits on Dec. 31 were $118 millions more than on Nov. 30, and within $32 millions of the high level established on Oct. 31 just before the Canada Savings Bond drive. In November investments in the new bonds reduced aggregate deposits by $150 millions, of which $118 millions has now been recovered.

This December recovery follows the pattern seen previously after each victory loan campaign when the public gradually replaced money withdrawn to buy bonds. Of the December increase, $109 millions was in demand accounts, savings deposits rising only $9 millions.

### Less Tendency to Rise

Bankers commented that while there is still plenty of money in circulation, the tendency for deposits to rise is smaller now than formerly. Some banks report their savings deposits in January to have fallen below the December level.

Among factors tending to maintain savings deposits they include a good level of employment, high wage levels, a continued scarcity of some types of merchandise and a greater savings consciousness among the people generally, leading them to put their surplus money in the banks.

Moreover, while government expenditures are down from the wartime high, they are still substantial. The increase in demand deposits in some quarters is ascribed to business firms accumulating cash to enable them to make a high liquid showing in their annual reports at the year end.

Dominion Government deposits declined $234 millions, while provincial deposits rose $6 millions.

### Current Loans Up

Current loans which have been rising steadily since April, 1946, again increased $23.2 millions, due largely to increased demand from industry for bank credit. Plans of business firms indicate considerable expansion in borrowing bankers say. Substantial borrowing by farmers under the Farm Improvement Loans Act is also expected as soon as various types of machinery, equipment and building materials becomes available in quantity.

A rise of $18.6 millions in call loans is attributed to more active stock markets. Provincial loans were up $10 millions and municipal loans down $2 millions. Total loans in Canada rose $60 millions, resulting in a fractional increase in the credit index. Bank investments were down $264 millions.

**Use of Bank Credit in Canada**
(In Millions of Dollars)

| | Dec. 1946 | Nov. 1946 | Change | Dec. 1945 | Change |
|---|---|---|---|---|---|
| Loans | 1,642.7 | 1,582.9 | +59.8 | 1,525.5 | +117.2 |
| Investments | 4,231.8 | 4,495.5 | —263.7 | 4,038.1 | +193.7 |
| Total' | 5,874.5 | 6,078.4 | —203.9 | 5,563.6 | +310.9 |
| Deposits | 5,760.1 | 5,641.9 | +118.2 | 4,928.2 | +831.9 |
| Credit index* | 28.5% | 28.1% | +0.4% | 30.9% | —2.4% |

*Ratio of current and call loans in Canada to demand and savings deposits in Canada.

**ASSETS**
**Immediately Available Liquid Assets**
(In Thousands of Dollars)

| | Dec. 1946 | Nov. 1946 | Change | Dec. 1945 | Change |
|---|---|---|---|---|---|
| Canadian coin | 10,684 | 9,925 | +759 | 10,234 | +450 |
| Bank of Canada notes | 176,861 | 140,364 | +36,497 | 162,858 | +14,003 |
| Bank of Canada deposits | 565,470 | 579,512 | —14,042 | 521,207 | +44,263 |
| Bank's cash | 753,015 | 729,801 | +23,214 | 694,299 | +58,716 |
| Gold sub. coin abd. | 2,696 | 2,807 | —111 | 2,608 | +88 |
| Foreign banks | 191,723 | 189,396 | +2,327 | 216,819 | —25,096 |
| Foreign banks | 92,901 | 96,224 | —3,323 | 96,628 | —3,727 |
| Call loans abroad | 77,097 | 70,483 | +6,614 | 120,488 | —43,391 |
| Government securities: | | | | | |
| Dom. short term | 1,199,650 | 1,601,550 | —401,900 | 1,289,006 | —89,356 |
| Prov. short term | 108,749 | 104,589 | +4,160 | 126,355 | —17,606 |
| Dom. long term | 2,117,555 | 2,006,555 | +111,000 | 1,982,829 | +134,726 |
| Prov. long term | 207,700 | 202,896 | +4,804 | 188,432 | +19,268 |
| | 4,751,086 | 5,004,301 | —253,215 | 4,781,220 | —30,134 |
| **Loans and Securities Other Than Those of Canadian Governments** | | | | | |
| Municipal secs. | 115,462 | 112,408 | +3,054 | 91,051 | +24,411 |
| Public sec.♦ | 275,525 | 270,357 | +5,168 | 241,650 | +33,875 |
| Other secs. | 207,188 | 197,216 | +9,972 | 118,766 | +88,422 |
| Can. call loans | 135,476 | 116,856 | +16,620 | 251,166 | —16,690 |
| Current loans | 1,453,801 | 1,430,543 | +23,258 | 1,227,065 | +226,736 |
| Loans abroad | 177,952 | 167,549 | +10,403 | 150,817 | +27,135 |
| Prov. loans | 28,631 | 18,579 | +10,052 | 26,136 | +2,495 |
| Mun. loans | 24,801 | 26,984 | —2,183 | 21,154 | +3,647 |
| | 2,418,836 | 2,340,492 | +78,344 | 2,127,805 | +291,031 |
| **Other Assets** | | | | | |
| Noncurrent loans | 939 | 921 | +18 | 962 | —23 |
| Real estate | 852 | 862 | —10 | 1,896 | —1,044 |
| Mortgages | 1,649 | 1,695 | —46 | 1,976 | —327 |
| Premises | 64,221 | 63,776 | +445 | 63,121 | +1,100 |
| Letters of credit | 212,904 | 204,486 | +12,418 | 140,688 | +72,216 |
| Loans to comp. | 10,308 | 10,366 | —58 | 10,447 | —139 |
| Other assets | 5,715 | 5,317 | +402 | 4,535 | +180 |
| | 296,588 | 283,423 | +13,165 | 223,625 | +72,963 |
| Total | 7,466,510 | 7,628,216 | —161,706 | 7,068,896 | +397,614 |
| Note in circ. dep. | 1,334 | 1,334 | .... | 1,692 | —358 |
| Int. bank bal. | 330,784 | 247,447 | +83,337 | 282,661 | +48,123 |
| Gross | 7,798,628 | 7,876,997 | —78,369 | 7,353,249 | +445,379 |
| **LIABILITIES** | | | | | |
| **To the Public** | | | | | |
| Circulation | 21,422 | 21,707 | —285 | 25,713 | —4,291 |
| Dom. Govt. | 365,927 | 600,170 | —234,243 | 922,090 | —556,163 |
| Prov. Govt. | 125,969 | 119,842 | +6,127 | 91,098 | +34,871 |
| **Deposits by Public** | | | | | |
| Demand dep. | 2,290,809 | 2,181,830 | +108,979 | 2,062,921 | +227,888 |
| Savings dep. | 3,469,322 | 3,460,145 | +9,177 | 2,865,329 | +603,993 |
| Total | 5,760,131 | 5,641,975 | +118,156 | 4,928,250 | +831,881 |
| **Foreign Deposits** | | | | | |
| Dep. elsewhere | 716,031 | 700,883 | +15,148 | 760,365 | —44,334 |
| For. curr. in Canada | 96,727 | 101,134 | —4,407 | 51,817 | +44,910 |
| Total | 812,758 | 802,017 | +10,741 | 812,182 | +576 |
| **Due to Banks Abroad** | | | | | |
| United Kingdom | 32,747 | 31,092 | +1,655 | 35,276 | —2,529 |
| Foreign | 103,778 | 100,879 | +2,899 | 75,530 | +28,248 |
| Letters of credit | 212,904 | 200,486 | +12,418 | 140,688 | +72,216 |
| Other liab. | 3,576 | 5,149 | —1,573 | 3,291 | +285 |
| Total public liab. | 7,439,212 | 7,523,317 | —84,105 | 7,034,118 | +405,094 |
| Due other banks | 24,707 | 18,443 | +6,264 | 19,115 | +5,592 |
| **Liability to Shareholders** | | | | | |
| Dividends | 2,037 | 2,565 | —528 | 1,210 | +827 |
| Reserve | 176,750 | 176,750 | .... | 136,750 | +40,000 |
| Capital stock | 145,500 | 145,500 | .... | 145,500 | .... |
| Gross | 7,788,206 | 7,866,575 | —78,369 | 7,336,693 | +451,513 |

♦Other than Canadian.

## BANK OF CANADA

| | Feb. 5 1947 $ | Jan. 9 1947 $ |
|---|---|---|
| **Liabilities** | | |
| Capital paid-up | 5,000,000 | 5,000,000 |
| Notes in circ. | 1,137,745,841 | 1,140,005,402 |
| Rest fund | 10,050,367 | 10,050,367 |
| Deposits: Dom. | 166,587,398 | 141,386,640 |
| Chart. banks | 523,662,278 | 524,605,337 |
| Other | 70,350,381 | 86,829,622 |
| Total deposits | 760,600,057 | 752,821,599 |
| Liabs. pay. in sterling, U.S.A. and for'n gold currencies | 958,496 | 957,199 |
| All other liabs. | 40,385,944 | 25,082,943 |
| Total liabs. | 1,954,740,705 | 1,933,917,510 |
| **Assets** | | |
| Sterling & for'n exchange | 958,496 | 957,199 |
| Subsid. coin | 369,768 | 371,037 |
| Investments: | | |
| Dom. govt. sh | 1,181,061,145 | 1,181,228,458 |
| Oth. Dom. govt. | 721,895,246 | 714,369,093 |
| Other secs. | 15,000,000 | 15,000,000 |
| Total invest. | 1,917,956,391 | 1,910,597,551 |
| Premises | 2,439,389 | 2,439,389 |
| All other assets | 33,016,661 | 19,552,334 |
| Total assets | 1,954,740,705 | 1,933,917,510 |

## Staff Changes

The Canadian Bank of Commerce announces the following staff changes:

A. W. ARGUE, accountant Queen and Bathurst, Toronto, to be manager, Avenue Road and Dupont, Toronto.

K. DODSON, an assistant inspector in department of the superintendent of British Columbia branches, Vancouver, to be manager, Kitsilano, Vancouver.

• • •

The Royal Bank of Canada announces the following staff changes:

R. GLAHOME, manager Cartagena, Col., to be assistant manager Buenos Aires, Arg.

G. V. S. SHARPE, assistant manager, Kingston, Ja., to be manager Georgetown, B.G.

D. McINTOSH, assistant manager, Kingston, Ja., to be manager Nassau, East End, Bahamas.

E. A. McRAE, account East End, Vancouver, to be assistant manager, Saskatoon.

D. M. MARTIN, accountant, Vernon, B.C., to be accountant, New Westminster, B.C.

R. C. FINLAYSON to be accountant, Vernon, B.C.

A. D. MacGILLIVRAY, Georgetown, B.G., retires.

• • •

The Bank of Toronto announces the following staff changes:

H. R. CHAPIN, formerly manager Swan River, Man., to be manager Regina, Sask.

J. B. SIMPSON, formerly manager Preeceville, Sask., to be manager Swan River, Man.

H. G. LAW, formerly accountant Yorkton, Sask., to be manager Birch River, Man.

P. E. BUTLER, formerly of head office inspection department, to be manager Parry Sound, Ont.

R. H. N. ROWLAND, formerly accountant at Yonge and Bedford Park, Toronto, to be manager Avenue Rd. and Joicey Blvd., Toronto.

J. R. JONES, formerly accountant Sarnia, Ont., to be manager Chatham, Ont.

E. M. WALLWIN, formerly accountant Main Office, Hamilton, to be assistant manager at that point.

E. J. REID, formerly accountant Owen Sound, Ont., to be accountant Sarnia, Ont.

B. H. KNOWLES, formerly of Alliston, Ont., branch, to be accountant Owen Sound, Ont.

S. P. COE, formerly accountant Galt, Ont., transferred to supervisors' department in head office.

A. W. KRUSE, formerly accountant Gaspe, Que., to be accountant Galt, Ont.

F. A. HAMBLEY, formerly accountant Donlands and O'Connor Dr., Toronto, to the discount department of Toronto Main Offfice.

T. C. NICHOLL, formerly of chief accountant's department, head office, to be accountant Donlands and O'Connor branch, Toronto.

F. B. PERFECT, formerly of Pilot Mount, Man., branch, to be accountant Meyronne, Sask.

H. A. LAWRENCE, formerly accountant Transcona, Man., to be accountant Yorkton, Sask.

W. N. PRENTICE, JR., formerly of main branch, Winnipeg, to be accountant Transcona, Man.

F. N. HURST, manager Parry Sound, Ont., retires.

# Judge Rejects N. Slater Plan

Board of directors of N. Slater & Co., Hamilton, has not met as yet to consider next step following rejection by High Court of Ontario to proposed capital change, passed earlier by both classes of shareholders.

Net profit for the year ended Oct. 31, 1946, was up moderately, due chiefly to reduction in income tax provisions, President W. H. Cooper informs The Financial Post. Sales were roughly comparable with the year before.

In a judgment handed down last week Mr. Justice A. M. LeBel of the High Court of Ontario, rejected a motion for approval of a plan for alteration in status of shares.

The proposal was to convert both issued and unissued preferred shares of the company into common shares, on basis of five common for four preferred. The plan was approved by the requisite majority of shareholders at special meetings held on Dec. 17, 1946; but counsel for the dissenting common shareholders argued that they were insufficiently informed of the company's financial position prior to the meetings.

Reasons advanced by directors for proposed plan were: desire to maintain company's liquid position and to meet its expansion requirements; the fact there would be no income tax liability on the conversion move.

"It seems to me that a shareholder is entitled to such information as will permit him to reach his own decision and that his understanding of the proposed scheme is not assisted by such generalizations as are contained in Mr. Cooper's (president of company) letter to shareholders," his lordship said. "The directors should have included in the material sent out a statement which reflected, at least briefly, the financial position of the company, so that a shareholder might come to a conclusion as to the respective values of the two classes of shares."

If plan had been approved, preferred shareholders would receive in return for their stock, callable at $30 a share, common stock of a market value of $32 a share. On the five-for-four conversion this would mean approximately $160 for a callable value of $120.

# Canadian Pockets Bulge Bureaus Fight Rackets

Although Canadian pockets literally bulged with money to spend last year, racketeers were strictly limited in their quest for "easy pickings", thanks to the alertness of Canadian Better Business Bureaus located in five cities across Canada.

Nearly three hundred persons who made enquiries at the office of the Toronto Better Business Bureau during the year ended Nov. 30, 1946, prior to investing their savings in some "fly-by-night scheme", saved, by doing so, the sum of $249,186, General Manager A. R. Haskell states in the annual report. In the same period 689 persons who filed complaints with his office, obtained the return of money and merchandise to the value of $34,409.

The past year marked an all-time high in the number of enquiries which were received from the public, as well as in the restitutions and savings that were effected through the organization's efforts, it was stated. Verbal and written enquiries from the public amounted to 11,096, complaints from the public amounted to 4,120.

Hundreds of enquiries were received by the Toronto Bureau regarding the purchase of chinchillas at a cost of from $1,000 to $2,000 a pair. A special mimeographed release was made for distribution to the public and a radio broadcast was devoted to the subject. A special broadcast was also given concerning the important subject of "Going into Business".

The report continues:

"It is a pleasure to again be able to report that rackets have been kept to a minimum, not only in Toronto but throughout the Province of Ontario, due to promptness with which our members have reported to us any new appeals that they received, especially those which had to do with advertising in various unknown publications, including programs, year books, directories, etc., as well as the many thousands of appeals that they received to subscribe to so-called veteran and military publications, or to insert advertising in, publications of this nature," Mr. Haskell stated.

In November a conference of all the managers of the Canadian Better Business Bureaus was held in Vancouver. At this conference a campaign was inaugurated to protect the wartime savings of the public. A great deal of publicity was issued by the five Bureaus located in Ottawa, Montreal, Winnipeg, Vancouver and Toronto, including special pay-envelope inserts to employees of members and special broadcasts.

Largely as the result of the representations made to the Provincial Government, the Real Estate Brokers' Act was amended to include the licensing of all business brokers.

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**NEW BRUNSWICK TELEPHONE CO.** 1946 net profit was up $24,059 from 1945 due largely to reduction in income and other taxes. Local service revenue was $1,508,057, up 6.3%; long distance revenue $1,483,059, up 7.3%. Gross income from all sources was $3,014,636, up 6.0%; total operating expenses, $2,161,164, up 15.7%. Tax reductions amounted to $164,571, or 31.4%.

During the year $991,965 was spent on new construction. It was necessary to defer a considerable amount of construction work owing to inability to obtain supplies.

A net gain of 3,279 telephones was recorded bringing telephones in service at year end to 47,134. Number of toll calls completed was 2,114,176, highest in company's history. Deferred applications for telephones increased from 3,750 to 4,701.

**INCOME ACCOUNT**

| Years Ended Dec. 31: | 1946 | 1945 |
|---|---|---|
| Net earnings | $1,226,968 | $1,349,950 |
| Less: Deprec. | 425,842 | 415,973 |
| Inc. & other tax♦ | 356,749 | 513,659 |
| Net profit | 444,377 | 420,318 |
| Less: Dividends | 319,728 | 319,728 |
| Surplus for year | 124,649 | 100,590 |
| ♦Incl. refund. EPT | ...... | 38,705 |
| **Earnings per Share and Dividend Record:** | | |
| Earn.: Excl. ref. EPT | $0.69 | $0.66 |
| Incl. ref. EPT | 0.69 | 0.72 |
| Paid | 0.50 | 0.50 |

**CONDENSED BALANCE SHEET**

| As at Dec. 31: | 1946 | 1945 |
|---|---|---|
| Cash | $230,989 | $327,712 |
| Accts. rec. | 403,206 | 351,967 |
| Inventories | 448,482 | 241,923 |
| Total curr. assets | 1,082,677 | 921,602 |
| Misc. assets▲ | 143,835 | 289,941 |
| Investments | 1,000 | 1,000 |
| Fixed assets | 11,049,458 | 10,217,879 |
| Total assets | 12,276,970 | 11,430,422 |
| Bank loan | ...... | 692,000 |
| Accts. & tax. pay. | 465,571 | 485,000 |
| Total curr. liab. | 465,571 | 1,177,000 |
| Def. credits, etc. | 197,161 | 331,370 |
| Deprec. res. | 3,005,608 | 2,812,896 |
| Capital stock | 7,734,537 | 6,473,208 |
| Capital surplus | 43,215 | 38,460 |
| Surplus▲ | ‡830,878 | 597,488 |
| ▲Incl. refund. EPT | 104,294 | 153,604 |
| Working capital | 617,106 | †255,398 |

†Excess of curr. liabs. over curr. assets.
‡Reflects adjust. of overprovision of $153,920 on 1942 and 1943 taxes.

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**MASSEY-HARRIS CO.** reports an additional 1,406 common shares purchased by employees, bringing common shares outstanding to 1,112,784.

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**CALDER BOUSQUET GOLD MINES** says that first hole in a new series of drill holes being put down to develop another lens going westward, shows a series of assays in both the conglomerate and greywackes grading from 0.06 to 0.31 oz. Best intersections were 12 ft. averaging 0.17 oz. from 503 to 515 ft. and 3 ft. running 0.31 oz. from 737 to 740 ft. Drilling so far extends ore lens length to approximately 900 ft.

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**MCMARMAC RED LAKE GOLD MINES** has allotted to H. J. Bergman, the company's consultant, 30,500 shares for services rendered. Issued capital, 2,143,005 shares.

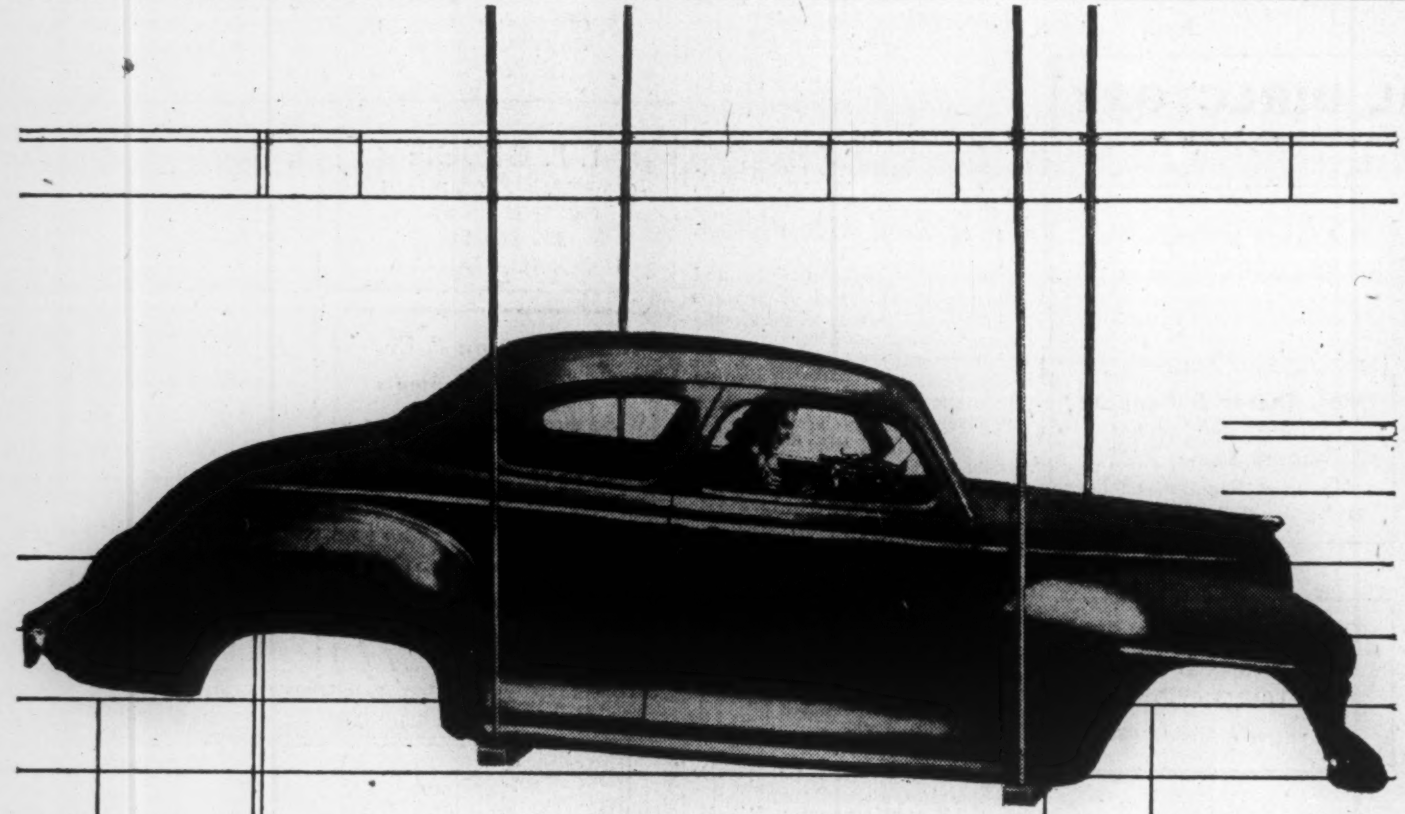
## Public Utility Earnings

**Mexican Light & Power Co.**

| November: | 1946 $ | 1945 $ | Inc. % |
|---|---|---|---|
| Gross earns. | 1,562,255 | 1,466,720 | 6.51 |
| Oper. exps. | 1,260,881 | 1,095,817 | 15.0 |
| Net oper. inc. | 301,374 | 370,903 | *18.7 |
| Int. & s. f. chgs. | 185,000 | 201,954 | ... |
| Net earns. | 116,374 | 169,949 | *31.5 |
| **Eleven Months:** | | | |
| Gross earns. | 16,641,820 | 14,094,842 | 18.1 |
| Oper. exps. | 13,944,407 | 11,475,065 | 21.5 |
| Net oper. inc. | 2,697,413 | 2,619,777 | 2.9 |
| Int. & s. f. chgs. | 2,105,000 | 2,221,494 | ... |
| Net earns. | 592,413 | 398,283 | 48.7 |

*Decrease.

Above figures are subject to final adjustment when annual accounts are made up.



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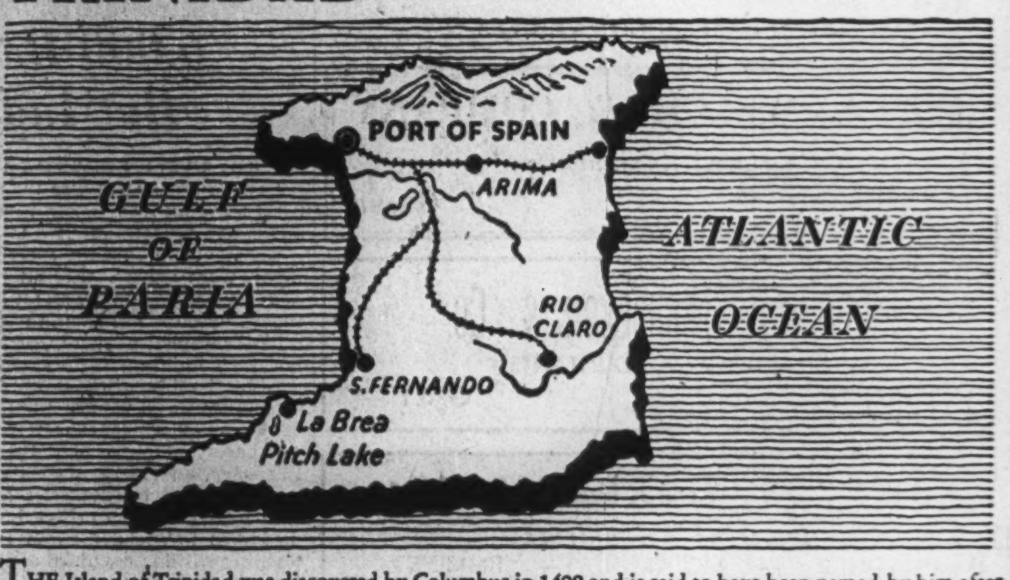

TRINIDAD

THE Island of Trinidad was discovered by Columbus in 1498 and is said to have been named by him after the three conspicuous peaks, now known as "The Three Sisters". Trinidad first became British territory in 1797, during the Napoleonic Wars. It is famous for its Pitch Lake from which Sir Walter Raleigh caulked his ships in 1595.

Sugar, cocoa and other tropical products are exported and in recent times the development of the petroleum industry has greatly increased the wealth of the Island. Its population exceeds 500,000 and the average annual value of its external trade for the years 1935/39 was over $53,250,000.

The first branch in Trinidad of Barclays Bank (Dominion, Colonial and Overseas)—a member of the Barclays Group of Banks—was opened at Port of Spain in 1837, followed later by a branch at San Fernando in the oilfields district on the South-West Coast. Those concerned with trade in the West Indies, Africa or the Mediterranean are invited to communicate with:—

BARCLAYS BANK (CANADA)

214 ST. JAMES STREET
MONTREAL

60 KING ST. WEST
TORONTO

Where Do Buyers Come From?

Survey of cars parked in the shopping section of a large Canadian town on Saturday afternoon showed 256 out of 452 autos were owned by farmers! Nearly two-thirds of these cars came from more than 10 miles away.

Every one of these cars represented a farm family; and a farm family, these days, represents substantial buying power.

Your retail outlets may be largely urban; but a surprisingly large proportion of the buying in those town and city stores is done by people from the surrounding farm community.

Cash Farm Income In Canada

1946 — $1,665,000,000?
1945 — $1,854,000,000
1944 — $1,751,700,000
1943 — $1,402,100,000
1942 — $1,100,900,000

The previous record, made in the "Golden Twenties" year of 1928, was $1,063,800,000. Each of the past five years has broken that record.

Key Farm Papers Of Canada

Le Bulletin des Agriculteurs
Montreal
The Canadian Countryman
Toronto
The Country Guide
Winnipeg
The Farmer's Advocate
London
Farmer's Magazine
Toronto
The Maritime Farmer
Sussex, N.B.
The Western Producer
Saskatoon

GET THE FACTS!

"Facts are chiels that winna ding," says the old Scots proverb. Freely translated, that means, "You can't get around the facts." That is still true — and particularly true in business. You simply cannot plan or decide wisely without the facts . . . all the facts.

What are the facts about the Canadian farm market? Well, first of all, Canadian farm families are now in their sixth straight year of all-time record income. It's the longest straight run of high farm income in Canadian history.

Second, this record farm income has resulted in record reduction of farm debts and record accumulation of farm savings. The finances of farm families the country over are in sounder condition than they have ever been.

LONG-TERM VOLUME

Third, world demand for food (reflected in long-term contracts at firm prices) assures a strong market for everything Canadian farms can produce for at least three years, and probably longer. Britain alone — leaving out all the rest of a hungry world — will take all of several major farm products which Canada can ship for years to come.

Record farm income, record farm savings, and continued high farm income mean record demand for your goods . . . continuing demand. The Canadian farm family market is something you can count on for substantial long-term volume — something certain in an uncertain world — something solid. It is worth your most serious, concentrated, and continued attention.

The Agricultural Press Association of Canada will gladly supply any facts you may require to help you evaluate the farm market for your products.

Agricultural Press Association
OF CANADA
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And now...pre-war, *real rubber* erasers are back!

VENUS

VENUS PENCIL CO., LTD., TORONTO

# Continental's Ligneris Twp. Strike May Revive Things 'North of Track'

A chance for the Ligneris mining area, Northwestern Quebec, to make a striking comeback is seen with Continental Diamond Drilling & Exploration pulling an important drill hole on its Ligneris twp. option, the ground formerly held by Dome Mines.

After two deep holes had been put down by Continental D.D. under the old showings exposed by Dome, without important result, drill hole No. 3 was put down at a point 1,300 ft. to the east and has returned an exceptionally good assay—$11.23 over 20 ft. The hole was still drilling at last report with a further 3 ft. of formation intersected giving the appearance of making ore.

### Form New Company

Only the barest details have reached Toronto beyond location of the hole and initial assays but the management thinks that the hole may be rather important. The Continental option called for completion of 5,000 ft. of diamond drilling and formation of a company within a year. Formation of this company is now being undertaken, The Financial Post is informed.

The original Ligneris showings are located in a band of carbonates which is known to stretch for at least several miles in an east-west direction. The latest intersection is believed to be either in the carbonates or in rocks immediately adjacent. It is now intended to move 430 ft. to the east for the fourth hole.

Values secured in the old Dome drilling were mostly on the low side. A value of $32.90 over 1.5 ft. was secured in one hole but drilling in the immediate vicinity did not indicate an ore shoot.

There are a substantial number of other operations which will be interested if the latest Continental Drilling intersection proves to be more than an isolated "erratic."

The optioned Ligneris ground extends for about 3,400 ft. to the east (and to the west as well) of the drill hole L-3. This gives good protection. To the east, on strike, Continental Diamond Drilling owns eight claims on which $5,000 was paid some time ago. To the east of that again, Omnitrans has a long stretch along strike and Dominion Nickel has the carbonate zone to the east of that again.

To the west of the Ligneris option, Quebec Gold Mining Corp., O'Brien, Wright-Hargreaves and Bouzan Gold Mines hold acreage.

### Water Poses Problem

Continental Drilling has been slowed by difficulties of securing adequate water. Drilling has been carried on at only one shift a day with water being hauled to the drill site.

The intersection reflects the part that luck plays in the mining game. After drilling two holes 600 ft. apart under the main showings, without any important results, consideration had been given to pulling the drill off the ground. However, the very next hole came through with values which give the property—and area—a real chance again. The area "north of the tracks" has had a lot of prospecting in recent years. Ligneris has been one of the hot "spots" and perhaps it may finally emerge with a mine.

### Owns Big Drilling Business

Continental Diamond Drilling, which has made the Ligneris strike, has been carrying on considerable exploratory work in addition to its contract diamond drilling business. During 1946, a total of 274,808 ft. of contract diamond drilling was completed with a gross income from drilling of $600,399, The Financial Post is informed.

Recently the company purchased all the preferred shares and the majority of the common shares of Mic-Mac Mines from U.S. Smelting & Refining for $745,000 cash. Diamond drill exploration of the Mic-Mac property for new ore occurrences was scheduled to start Monday of this week.

Continental's activity has been extended from the Quebec area. The company is taking an increasing interest in exploration for mineral deposits in Ontario areas. Twenty-eight claims have been secured in Pifher twp., Ontario, adjoining Green Lake Gold Mines. Interests associated with MacLeod are reported to have made three or four intersecting gold discoveries on this ground. A main macadam highway is reported to run within 1½ miles, providing easy transportation. Continental is also securing two groups of claims in the Jellicoe area and some gold showings were reported on these by previous operators.

But at the moment the most interesting thing in the Continental picture appears to be Ligneris—and mine making chances "north of the track."

## Cathroy Raise in Ore Along Entire 200 Ft.

The raise from the 500-ft. to the 250-ft. level at Cathroy Larder Mines has reached a height of 200 ft. (up dip) above the 500-ft. horizon, The Financial Post is informed. The raise has been reported in ore all the way.

The initial 65 ft. of the raise averaged $14.70 gold per ton with footage from 65 to 175 running $9.10 and from 175 ft. to 200 ft. grading $17.85. Considerable visible gold has been reported at various points in the raise with most consistently high ones reported showing in present faces. Best values encountered so far have been hit in the last 25 ft.

The new section, half-way between the north and south zones, is being drifted on only spasmodically at the present time only as the program permits. Two parallel shears about 50 ft. apart, both carrying visible gold and some high assays, are awaiting development at this location. No work is being done on the 220-west drift.

## Found Lake Options Group at Sandy Lake

Found Lake Gold Mines has taken an option on 18 claims, 720 acres, from Eero Prospecting Synd. in Sandy Lake area, Ont. Free gold has been reported in the quartz veins occurring on the property with shearings south of the banded iron formation panning gold freely.

Mining Engineer Paul E. Young reports that geological and structural conditions are favorable for gold deposition and since gold is known to occur on this group, considerable exploration work is warranted.

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SW-66

# *Saskatchewan Mine "Take" Up But Metals' Value Is Lower*

**From Our Own Correspondent**

REGINA—Revenue of the Saskatchewan Department of Natural Resources for the year ending April 30, 1946, amounted to $2,151,416 which resulted in a net surplus of $1,043,749, according to the annual report tabled in the legislature by Resources Minister J. L. Phelps.

The revenue in 1944-45 totalled $1,724,230 and the surplus, $1,120,371.

Mineral production in Saskatchewan amounted to $22,617,796. Of the total metallic production there was a drop in gold, silver, copper, zinc, selenium and tellurium. The only metal that showed an increase was cadmium—107,741 lb. compared with 74,931 lb. in the previous year.

Total value of metals produced was only slightly lower than the year before, being $18,164,036 as against $18,226,139. This was accounted for by the increase in prices of copper, zinc, silver selenium and tellurium.

Sodium sulphate, with 96,292 tons produced, showed a decrease from the previous year of 15,617 tons.

There was a decided increase in value of clay products, with $681,210 compared with $241,233 for the previous year. Use of sand and gravel took an upward swing due to increased road work and the building industry. The tonnage was 1,029,494 as against 764,637 tons for the previous year.

Production of coal increased 215,246 tons over the year before.

Total consumption of natural gas was 202,840 million cubic feet compared with 139,916 for the previous year.

Revenue brought by forest products totalled $7,153,849 compared with $7,044,331 for the previous year. In 1945-46 timber revenue represented $5,305,185 of the total figure. Grazing and hay permits on provincial forests brought in a total of $4,966. Total permits issued were 445.

# Will Copper Jump Again?

### Possibility Seen as U. S. Exhausts Metals Reserve Stockpile

Next month may possibly signal new advances in the price of copper, trade sources in the United States point out. Export copper at New York is holding steadily at 20 cents a pound and the amount of trading recently has not been so great, but this situation may not last for long.

In the United States, the stock pile of copper held by the Metal Reserve Co. is expected to be used up about the end of next month. Consumers will then be forced to depend entirely on their own resources.

### Must Have the Copper

American Metal Market outlined this situation on Feb. 5 as follows:

"There is plenty of discussion in trade circles regarding the imminent necessity of importing large quantities of foreign copper—duty or no duty—just as soon as the Office of Metals Reserve comes to an end about the end of March."

Even if the four cents a pound tariff against outside copper entering the U. S. market should be withdrawn it appears that U. S. industry will have to bid for copper supplies in the world market in no uncertain fashion.

Since the situation in the world copper market is very tight (with practically all available copper supplies already spoken for), U. S. consumers bidding more actively in the world market may have the effect of boosting the price of the red metal higher than has existed since the days before the depression.

## Arntfield Holders Approve New Deal

Shareholders of Arntfield Mining Corp. have approved incorporation of a new four-million-share company to acquire its assets for 1,750,000 shares. Name of the company has not yet been decided upon.

Shareholders will participate in distribution of the 1,750,000 shares on a one new for two old share basis and will also receive one share of Arncoeur Gold Mines for each five shares of Arntfield held. At least 25% of the new shares are to be released to present shareholders at once and balance as soon as new financial arrangements permit, President R. V. Arntfield, states. Recent results at the mine up to the time of suspending work were the best in the company's history, President Arntfield, adds.

**GOLDVUE MINES** has received payment covering Feb. 1 underwriting installment on 25,000 shares at 35 cents. Issued capital, 2,825,005 shares.

## Release From Escrow

| Company: | No. Shares | Release Date |
|---|---|---|
| Cheskirk Mines | 800,000 | Jan. 29 |
| Dunmar Mines | 250,000 | Feb. 4 |
| Wakita Quebec G. M. | 150,000 | Feb. 4 |
| Loisan Red Lake G. M. | 50,000 | Feb. 1 |
| Marchaud Mines | 310,000 | Jan. 31 |
| Adanac Gold Synd. | All | Jan. 21 |
| Parbec Malartic G. M. | All | Jan. 21 |
| Rozak Porcupine M. | 250,000 | Jan. 22 |
| Miles (Red Lake) M. | 266,666 | Feb. 7 |
| Galore Gold Mines | 1,073,964 | Feb. 8 |
| Marchand Mines | 310,000 | Jan. 31 |

## *Discovery X-cut Into Ore on 125*

Extension of a 60-ft. crosscut at Discovery Yellowknife Mines 125-ft. level has resulted in cutting of the west limb of the high-grade north zone at an oblique angle some distance from the nose of the fold showing a true width of 8 ft., J. J. Byrne informs The Financial Post.

Channel samples on the north face are reported to have averaged 3.40 oz. across 8 ft.; and 0.89 oz. over 13 ft. on the south face.

A wire received from the property Jan. 31 stated that drifting results exceeded values indicated by diamond drilling with the last face assaying six ounces in both car and face samples for a drift width of 7 ft.

Drifting is proceeding both ways and headings will shortly enter the nose of the drag fold where greater widths were indicated by drilling.

Permanent mining plant is expected to be installed and running by the end of February when operations will be greatly speeded up.

**GOLDHAWK PORCUPINE MINES** has received payment covering 170,000 shares at 50 cents a share, comprising balance of May 12 and part of Aug. 12 option installments. Issued capital is 2,744,005 shares.

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SAGUENAY TERMINALS

# TEN YEAR PROGRESS REPORT

OF

# THE LAMBTON LOAN & INVESTMENT COMPANY

SARNIA, ONTARIO

| ASSETS | | 1946 | | 1936 |
|---|---|---|---|---|
| Cash on Hand and in Banks | | $ 406,117.09 | | $ 82,433.99 |
| Bonds and Debentures at Cost, plus Interest | | 1,861,357.15 | | 420,091.15 |
| Stocks—Preferred and Common—at Cost | | 415,447.95 | | None |
| Mortgages and Agreements for Sale, plus Interest | | 2,554,308.34 | | 2,984,758.09 |
| Real Estate—Held For Sale | | 5,796.83 | | 337,702.62 |
| Loans on Stocks and Bonds, plus Interest | | 45,775.54 | | 58,256.01 |
| The Lambton Trust Company Limited—Stock | | 330,000.00 | | 180,000.00 |
| Office Premises, Furniture and Equipment | | 19,067.01 | | 18,000.00 |
| Other Assets | | None | | 10,275.10 |
| TOTAL ASSETS | | $5,637,869.91 | | $4,091,515.96 |

| LIABILITIES | | 1946 | | 1936 |
|---|---|---|---|---|
| Savings Deposits, plus Interest | | $1,863,130.18 | | $ 976,199.24 |
| Debentures, Accumulative Bonds, plus Interest | | 2,053,844.44 | | 1,578,509.98 |
| Provision for Federal Profits Taxes | $ 39,904.63 | | | |
| Less—Payments Made There Against | 19,998.00 | 19,906.63 | | 485.04 |
| Dividends Payable—January 2nd | | 31,590.00 | | 15,795.00 |
| All Other Liabilities | | 1,000.00 | | None |
| | | $3,969,471.25 | | $2,570,989.26 |
| Capital Issued | $ 789,750.00 | | $ 789,750.00 | |
| Reserve Fund | 789,750.00 | | 700,000.00 | |
| Profit and Loss Account | 88,898.66 | 1,668,398.66 | 30,776.70 | 1,520,526.70 |
| TOTAL LIABILITIES | | $5,637,869.91 | | $4,091,515.96 |

## THE LAMBTON LOAN & INVESTMENT COMPANY

*CHESTER H. BELTON, President.* *G. C. NORSWORTHY, Manager.*

## North Inca Hole Cuts High Grade

The long exploratory diamond drill hole, No. 60 of North Inca Gold Mines, driven parallel to and north of the Inca fault, has intersected 2.2 ft. of $58.13, The Financial Post is informed. The new high-grade vein was cut some 160 ft. south of the "A" zone in Inca Bay.

The new vein occurs near the Inca fault and corresponds to a vein intersection cut at a shallow horizon in diamond drill hole No. 59, which returned 2.4 oz. gold across a true width of 2.6 ft. These two high-grade occurrences suggest a new and unsuspected pattern of subsidiary fracturing, emanating from the Inca fault, giving promise of several ore shoots, the company states. A series of deeper holes will be driven beneath the intersection obtained in holes 59 and 60 to test continuity of values obtained at shallow horizons.

# Ontario Security Commission Options

| Company: | Underwriter: | Purchased (Underwritten) Shares | At c. | Date | Option No. Shares | Received Price Range c. | Capitalization Author. Shares | O/s Shares | Accepted |
|---|---|---|---|---|---|---|---|---|---|
| Clarendon G. M. | G. G. Goodman | 20,000 | 10 | Dec. 12 | 280,000 | 15-20 | 1,000,000 | 401,695 | Jan. 22 |
| Dunmar M. | Globe Investments | 250,000 | 10 | May 20 | 2,149,995 | 10-70 | 3,500,000 | 1,600,005 | Jan. 21 |
| Gui-Por G. M. | W. H. Bouck | 350,000 | 10 | Nov 20 | 400,000 | 10 | 3,000,000 | 1,900,005 | Jan. 21 |
| Sheldon Larder M. | Globe Investment† | ...... | .. | June 21 | 575,000 | 15-31 | 3,000,000 | 1,825,500 | Jan. 21 |
| Sheldon Larder M. | B. Riordon† | ...... | .. | June 21 | 431,250 | 15-31 | 3,000,000 | 1,835,500 | Jan. 21 |
| Sheldon Larder M. | R. Kennedy† | ...... | .. | June 21 | 143,750 | 15-31 | 3,000,000 | 1,852,300 | Jan. 21 |
| Thaddeus G. M. | T. A. Cauley & D. L. Young† | ...... | .. | Nov. 18 | 1,300,000 | 7-60 | 3,500,000 | 1,215,007 | Jan. 23 |

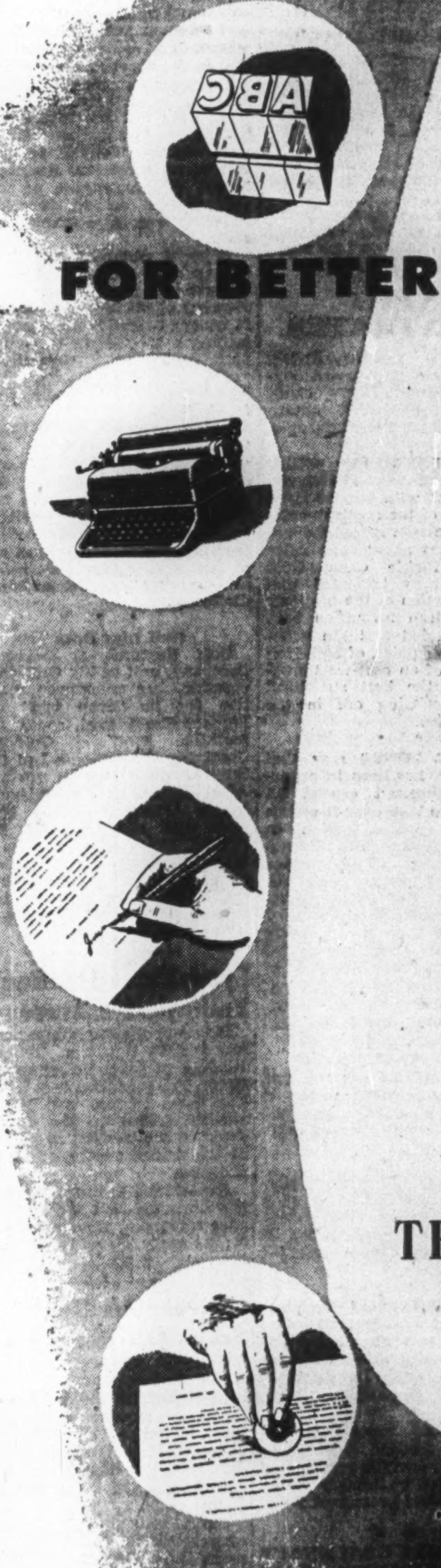
†Optionee.

**AMENDMENTS TO PREVIOUS AGREEMENTS**

**Extended:** Bellevue Gold Mines, Double Strike Mines, Glencona Mining Co., Wilwood Gold Mines.
**Amended:** Dunn Yellowknife Mines, Graco Ltd.
**Terminated:** Magwell Long Lac Gold Mines.
**Accepted for filing:** Mid-Central Mining Co., Norterre Mines, Wi nastake Prospecting Synd.
**Assigned:** Talent Silver Mines.

**PACIFIC EASTERN GOLD MINES** has received payment for 40,000 shares at 50 cents. Issued capital is 2,138,568 shares.

**CITRALAM MALARTIC MINES** has received payment covering Feb. 1 installment on 50,000 shares at 10 cents. Issued capital 3,203,338 shares.



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## MINING INVESTMENTS

# Sherritt Control Held By Small Shareholder

With widespread interest in the latest nickel-copper discoveries of Sherritt Gordon Mines at Lynn Lake, Man., there has been considerable speculation as to where control lies and the possible imminence of new financing.

Both these questions can be answered in a single sentence, The Financial Post learns. Ultimate control lies with the general public—150,000 shares represents a large individual shareholding—and the company's finances are adequate for present needs with no early financing contemplated.

Actually the Sherritt Gordon share ledger is one of the largest in Canada. There is a predominance of small shareholdings. Sherritt is a company where the small shareholder is really the boss. It is the general proxy support received by President Eldon Brown that means control.

With the energetic and very successful program of outside exploration undertaken by Mr. Brown, shareholders appear likely to have nothing but commendation for the present management.

Sherritt has made no outside commitments. It would probably take years for control to change even should some outside company have the funds to consider buying up control.

* * *

### Financing Situation

With respect to financing, the management considers that as long as present funds are ample, there is no need to branch out in new financing. When the tonnage and grade of ore in the new occurrence have been better established, the question of financing will be greatly simplified, it is thought. Until actual dimensions of ore deposition are better known, of course, the company can't very well tell what it is going to need in the way of new finances.

* * *

### What About Size?

In the next few weeks, investors will be trying to work out tonnage estimates of ore for the new "L" nickel-copper deposit.

One western brokerage firm estimates a "minimum value" of $7 a share for Sherritt—if the ore body proves substantial and goes to 600 ft. depth. But the firm uses a factor of 12 cu. ft. for a ton of ore. If its other assumptions prove correct, then the estimate could be considerably on the low side.

The new deposit is a sulphide occurrence and it will probably only take nine cubic feet to make a ton. It is quite possible that when work gets underground, only eight cubic feet may be required for a ton. A sulphide-type ore body can thus run into tonnage in a hurry!

* * *

### Drilling Will Tell Story

Initial indications are that the "L" deposit will be a great one. But no one can yet say exactly what attitude of the ore body is. A great deal of drilling will be required to work this out. Negative readings (accompanying the positive magnetic readings of an anomaly) appear in this case to be on the opposite side from where they might have been expected. This tends to make things a little confusing initially.

Capping of rock over parts of the sulphide body could make the surface readings of little value as far as establishing the actual shape of the occurrence is concerned. With the four drills on the job and at work—a fourth drill crew has been taken in—outlining of the deposit should, however, be completed quite rapidly.

* * *

### Quebec Shows Gains

While Quebec gold production was off over 62,000 oz. in 1946, and copper slipped over 32 million lb. to 70,486,175 lb., production of some of the province's minerals showed sharp increases.

Clay products rose by no less than 35% to $3,422,484.

Cement production rose 30% to 5,046,162 bbls.

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## *Polaris-Taku Cuts 12 ft. of $30.55*

Polaris-Taku Mining Co. drills have intersected 12 ft. of core averaging $30.55 gold in virgin ground on B level, at a point 300 ft. above the main haulage level, The Financial Post is advised. An 8-ft. section of the core averaged $41.82.

The core intersection, obtained at 118 ft. in the flat drill hole putout from junction of drifts Nos. 8 and 15 on B level, appears to be correlated with the occurrence cut by crosscut No. 19 in 1941. The crosscut was recently re-examined and assayed $39.37 across 4 ft., the company states.

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Asbestos production was up 19% with a 1946 production of 556,868 tons.

There were others which showed a decline besides gold and copper: silver—down 10%; zinc—down 19%; and lime—down 6%.

Continuation of the strike at Noranda Mines, of course, will tend to hold down production figures for copper, gold and silver for January and the first half of February.

* * *

### Iron Price is Up

An increase of 50 cents a ton in the price paid for iron ore in the United States is not only good news for Steep Rock Iron Mines, Algoma Steel Corp. (which has a substantial interest in iron ore production), but will help projected new projects such as Labrador Mining & Exploration Co. and the Hollinger iron development on the east side of the Quebec-Labrador boundary in the same general area as the Labrador M. & E. deposits.

A similar increase in the price of iron ore occurred last year but the effect of it was wiped out by the change in the exchange rate. With iron ore resources in the United States gradually getting a bit thinner, however, it is fully expected that iron ore will at least remain at its new higher price, and further increases cannot be ruled out.

## Quebec Prepares Data On Gaspé Limestones

A preliminary geological report on the stratigraphy of the Gaspé limestone series of the Forillon Peninsula has been prepared by Dr. L. S. Russell, Quebec Department of Mines. Copies of the report and preliminary geological sketch maps are available from the Deputy Minister, Parliament Buildings, Que.

A description is given of various lower Devonian formations, particularly well exposed along the sea cliffs. Thicknesses of these formations are listed, and these, with the description of the rocks, will be useful in efforts being made to find oil in these same formations farther west, in the interior of Gaspé.

## Lamaque Profits Drop 9.64 Cents Last Year

Estimated net profit of Lamaque Gold Mines was $280,705, or 9.36 cents a share in 1946 ($564,328, or 19 cents a share in 1945). Bullion production totalled $1,357,904 from 145,315 tons of ore milled, an average recovery of $9.34 in 1946 ($1,734,910 from 157,365 tons and $11.02 in 1945).

Total positive ore reserves were 2,329,231 tons averaging 4.58 dwt. at Dec. 31, 1946 (2,558,943 tons averaging 4.25 dwt. at end of 1945).

## MINING CONCENTRATES

**BEAULIEU YELLOWKNIFE MINES** has received payment covering 25,000 shares at 42½ cents, comprising part of Mar. 31 installment. Issued capital, 2,875,000 shares.

* * *

**BANKUR PATRICIA GOLD MINES** is negotiating a diamond drilling contract with Boyles Bros. to test findings of the recently completed magnetic survey carried out on the 25 claims about four miles northeast of Pickle Crow Gold Mines. The survey indicated that the southern section of the property is crossed by iron formation belt, and it is concluded that the existence at any given point, of both iron formation and of an east-west fracture, is about the best structural pattern for localizing ore in the Crow River area.

* * *

**BONSECOUR MINES** says that Hedgehog Mines has been incorporated with authorized capital 3.5 million shares to take over 18 claims formerly held under option in Groundhog River area, Ont. Bonsecour will receive 400,000 vendor shares and a half interest in options on treasury shares of the new company. J. S. Storer has been retained to make a report on the property which is situated about the centre of Penhorwood twp. Directors of the new company are: Dr. P. S. Ironstone, president; R. F. Hardy, secretary-treasurer, and D. G. Simmons.

* * *

**CHESKIRK MINES** has received payment covering 60,000 shares at 20 cents, comprising May 1 and part of June 1 installments. Issued capital, 2,260,005 shares.

* * *

**LA LUZ MINES** has received payment covering 100 shares at $2 a share, part of option granted to employees. Balance under option is 2,350 shares at $2. Issued capital—1,449,662 shares.

* * *

**DUQUESNE MINING CO.** advises that balance of Jan. 27 installment on 701 shares at $1.50 a share has not been exercised and agreement with Haut Mining & Development Co. has been terminated.

* * *

**DOME MINES** reports bullion production of $450,991 from 48,200 tons treated, an average recovery of $9.36 gold per ton in January ($485,515 from 48,200 and average of $10.07 in Dec., 1946).

* * *

**BEAURIV YELLOWKNIFE MINES & STARLIGHT MINES** shareholders are being asked to have their stock registered in their own name in order that they may participate in the preferential rights to purchase shares in Starcourt Gold Mines, adjoining East Sullivan.

## *Quebec Gold Flow Eases Off With December a Poor Month*

According to final figures on Quebec mineral production issued by Hon. Jonathan Robinson, Quebec Minister of Mines, gold production showed a reduction of nearly 10%—from 661,063 oz. to 598,906 oz.—in 1946.

### Only 24,653 oz. in Dec.

Production in December was off sharply, shipments at the lowest level since July, 1931. Output was only 24,653 oz. as against 52,514 oz. for December, 1945, and 38,969 oz. in November, 1946. This decrease is attributed chiefly to the closing of the mine and smelter of Noranda Mines, following a strike of employees, but is also partly attributed to the fact that some gold mines have considerably reduced their shipments.

Gold production by mines for the Province in 1946, is as follows:

| Gold Mines: | Tons milled | Gold output oz. | Production value $ |
|---|---|---|---|
| Belleterre ... | 123,142 | 40,355 | 1,484,158 |
| Cons. Beattie | 107,421 | 7,739 | 270,865 |
| Can. Malartic | 317,026 | 30,817 | 1,136,944 |
| East Malartic. | 307,461 | 36,863 | 1,367,278 |
| Elder Mines . | 6,594 | 592 | 20,720 |
| Francoeur ... | 73,743 | 10,040 | 369,982 |
| Lamaque .... | 145,315 | 35,677 | 1,313,872 |
| Malartic Goldfields ...... | 208,354 | 32,825 | 1,218,914 |
| Mic-Mac Mines | 174,784 | 24,690 | 907,865 |
| O'Brien ...... | 51,050 | 22,011 | 813,614 |
| Perron ...... | 113,740 | 18,795 | 692,797 |
| Powell Rouyn | 84,945 | 10,259 | 377,468 |
| Senator Rouyn | 92,753 | 12,877 | 465,210 |
| Sigma ....... | 299,236 | 50,829 | 1,878,180 |
| Siscoe ....... | 157,791 | 23,124 | 855,557 |
| Sladen .. .... | 184,509 | 12,767 | 478,226 |
| Stadacona ... | 123,898 | 21,576 | 791,122 |
| Sullivan ..... | 120,039 | 26,744 | 987,084 |
| West Malartic | 3,274 | 477 | 18,364 |
|  | ...... | 419,057 | 15,448,220 |
| Base Metal Mines: |  |  |  |
| Gold. Manitou | 171,360 | 8,281 | 307,770 |
| New Calumet | 199,515 | 2,426 | 88,623 |
| Noranda ..... | 936,418 | 153,235 | 5,679,187 |
| Normetal .... | 186,634 | 3,426 | 126,528 |
| Waite Amulet | 427,423 | 12,481 | 456,064 |
|  | ...... | 179,849 | 6,658,172 |
| Grand total .. | ...... | 598,906 | 22,106,392 |

## OIL PRODUCTION

# Imperial Gets Oil at Leduc!

From Our Own Correspondent

CALGARY—Imperial Oil and the rest of the Canadian oil industry had their fingers crossed this week. Imperial-Leduc No. 1, L.S.D. 5 22-50-26w4, may be an oil and gas discovery of considerable importance, limelighting the huge, virgin belt of the "Alberta syncline," the great trough flanking the foothills and Rocky Mountains to the east.

Imperial, because it recognized that drill stem tests are not conclusive and because it knows from its own and others' past experiences that some promising wells turn out to be only "teasers," has restricted its public enthusiasm on the well. Its only official statement:

"After obtaining encouraging oil and gas showings in several drill stem tests at its Leduc No. 1 well, Imperial Oil announced Feb. 6 that it is running 7-in. casing in preparation for a test of the productive possibilities of this well, presently in the Devonian limestone at 5,066 ft. When definite production data are available, the information will be officially released."

Unofficial reports on the series of drill stem tests, received by The Financial Post correspondent, indicate that the well has tapped a Devonian limestone porous zone yielding light (36 degrees API gravity) crude oil under substantial pressure. It is a brown oil, apparently comparable to that being produced from the Devonian in the Princess area, 200 miles to the southeast.

* * *

### Tell of Big Oil Rise

The unofficial reports have it that a drill stem test at the Imperial test was run after coring a few feet into the Devonion porous, resulting in a several hundred foot oil rise in one hour. Next test was run after deepening further into the zone. Result here was said to be a 1,080-ft. rise in one hour.

After coring on to present depth of 5,066 ft. a third test was apparently made Feb. 3. Fluid is said to have filled the pipe in about 1½ hours, the well then flowing briefly by heads through the drill stem. A final drill stem test is said to have been made Feb. 5, resulting in a 3,600-ft. rise in one hour. There are no reports of formation water.

Production string of 7-in. casing was run and cemented Feb. 6 to the top of the Devonian zone 5,029 ft.

The very substantial influx rate of oil in the drill stem tests certainly appears to indicate a discovery, but further production tests at the well and considerable further development in the area are necessary before the importance of what is still classed as an "encouraging showing" can be accurately evaluated.

Imperial obtained sufficient encouragement above the Devonian (substantial natural gas flow and showing of oil in the 4,000 to 4,400-ft. range) to decide the company on putting a second rig to work. Imperial-Leduc No. 2, 1¼ miles south and quarter of a mile west of No. 1, is now rigging, will spud in the near future.

To this observer, Leduc looks like the brightest prospect in a long while. Imperial Oil—in terms of cost and holes drilled long the top explorer for oil and gas in western Canada, and in terms of established refining and marketing facilities in the West, the company most in need of new sources of domestic oil supply—appears "due" for an important discovery.

* * *

### Gulf Digs Deep Test

Gulf Research & Development Company, unit of big Gulf Oil Corporation, has announced the location for its "deep test" in the Pincher Creek area, south Alberta foothills. Well is Gulf-Pincher Creek No. 1, located in Lsd 15 24-3-29w4th. Site is 16 miles north of the Alberta-Montana boundary, between Waterton Lakes National Park and the town of Pincher Creek. The Gulf test—first to be drilled by this major American concern in Canada—has as its objective the Madison limestone, looked for in the 12,000- to 13,000-ft depth range.

## Lynx Plans Drilling Yellowknife Acreage

Diamond drilling is expected to be renewed by April on Yellowknife holdings of Lynx Yellowknife Gold Mines, The Financial Post is advised. Two cross sections will be systematically drilled on the dip of the shear to locate what is believed to be the faulted section of the Akaitcho zone.

Exploration of the property so far has indicated that the major shear zone traversing the acreage for 5,000 ft., is closely related to this ore zone, the company states.

## Courageous Drilling Seeks Ore Extension

Diamond drilling has been resumed on Louvicourt twp. property of Courageous Gold Mines, with initial hole started south of the Bevcourt boundary. The hole is going down 100 ft. east of Hole D-1, which returned up to 0.14 oz. over 5 ft. and 0.19 oz. over 2½ ft. in quartz tourmaline veins.

Courageous is on the same plug of granodiorite as Buffadison, Regcourt and Bevcourt. Buffadison, which lies to immediate northwest of Courageous, is cutting its last

---

**BEAULIEU YELLOWKNIFE MINES** has received payment covering balance of Mar. 31 installment of 25,000 shares at 42½ cents. Issued capital 2.9 million shares.

## Athona To Sink Prospect Shaft

Preparations are under way to sink a two-compartment prospect shaft to a depth of 150 ft. on the Morris Lake-Giauque Lake property of Athona Mines (1937), The Financial post is informed. Sinking is expected to start with a temporary plant by mid-March.

Tentative plans are to drive a crosscut from the 150-ft. level, when that depth is reached, to a permanent shaft location where a three-compartment shaft will be raised to surface. A permanent plant is to be installed to handle the raising job.

Purpose of prospect shaft is to enable company to carry out a thorough program of channel, car and bulk sampling, as engineers feel that there is a good possibility that final ore grade may show an improvement over drilling, because of presence of considerable visible gold.

Diamond drilling of the main zone for a length of 3,000 ft. shows 1,550 ft. averaging $22.40 across 5.6 ft., the company states. There is also reported an additional length of 260 ft. averaging 0.21 oz. across average width of 9 ft. A 450-ft. length in the 1,550-ft. shoot averaged $36.47 across 6.35 ft. Bulk of drilling has been to a vertical depth of 150 ft., although zone has been cut at 300- and 400-ft. depths.

**NEW MARLON GOLD MINES** advises that cross cuts on 250 and 450-ft. levels advanced 126 ft. and 113 ft., respectively, to end of January. Vein structures, as indicated by surface drilling, have been confirmed on all horizons with one intersection of $10.85 across 13 ft. on the fourth level, expected to be reached in about one week.

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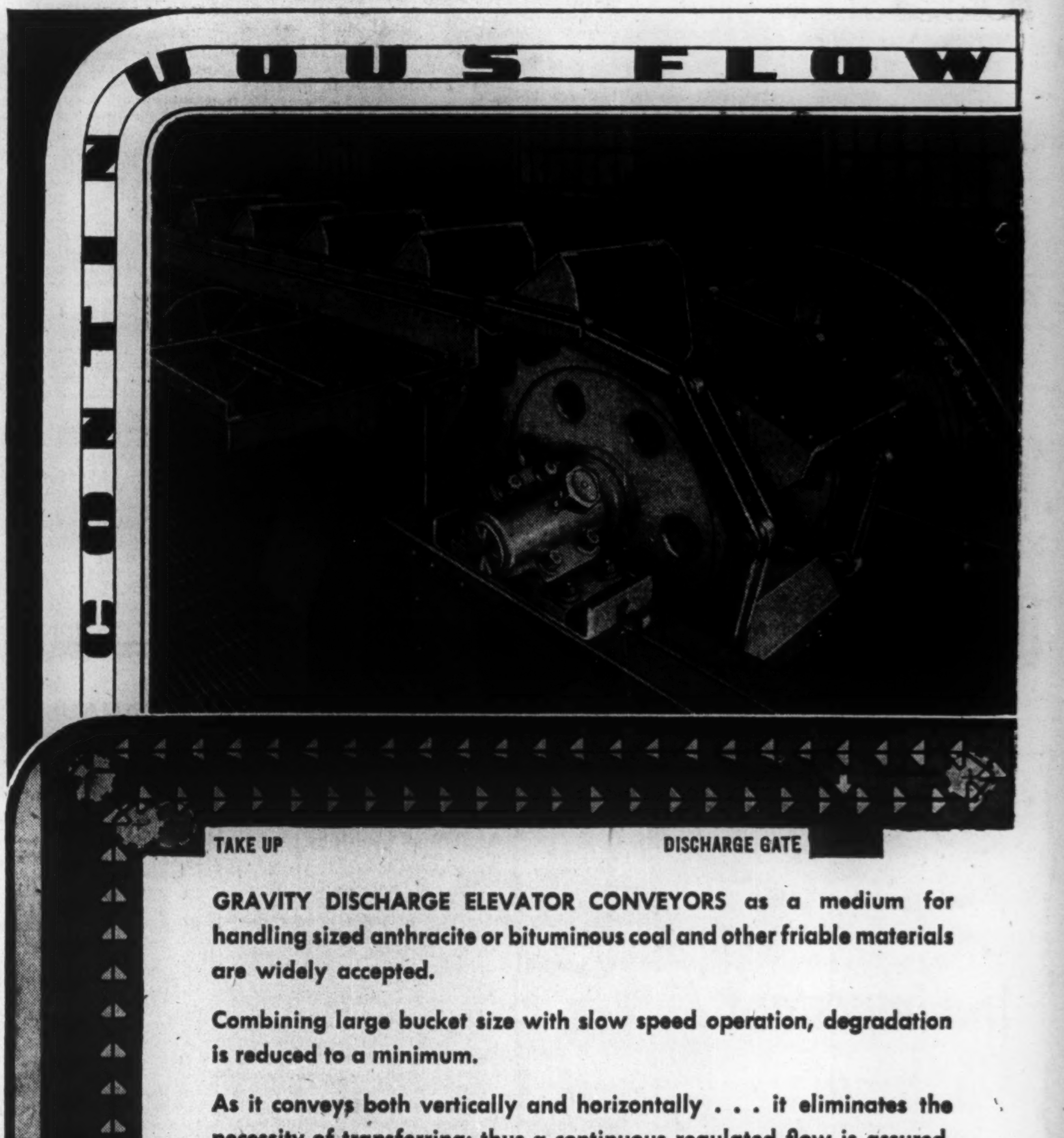

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**YELLOWKNIFE DEVELOPMENT REVIEW FOR 1946-1947**

*A resumé of development work already completed and work planned for the following Yellowknife Gold Mining Companies:*

COLOMAC
DISCOVERY
DIVERSIFIED
GIANT
SALMITA

AURLANDO
BEAULIEU
LEXINDIN
INDIAN LAKE

ADMIRAL
ALCAN
ALPHA
AMY
ANDREW
ANDY
ARCTIC
ATLAS
AURIGA
AURORA
BEAUCAMP
BEAURIV
BELLE-BRY
BERYLACA
BILOXI
BLADE
BOISE
BOWIE
BRAVO
BRUIN
BURGESS
CABALA
CABOT
CALIFORNIA
CAPTAIN
CARDINAL
CASSIDY
CAVAN
CHALKIS
CHARM
CIRCLE
CONALDON
CONJO
DALLAS
DEB
DOLPHIN
DORIS
DRAKE
DUNN
EMERALD
ESKIMO PETE
FAIRBANKS
FLEETWOOD
FORBES
FORTUNE
FREDERICK
GOLDPAC
GOLDRICH
GOTHAM
GREAT

HOMER
HUB
HUHILL
JENSEN
JEPH
JACKNIFE
KAMLAC
KARAT
KIMBERLEY
LASALLE
LEADER
LODESTAR
LUCILLE
LUNDAY
LUZON
LYNX
MARBEAU
MASSIVE
MEEWOOD
MERINO
MIDAS
MIRACLE
MOHER
NIB
ORACLE
ORO
PARTRIDGE
PAYNE
PENGUIN
PENSIVE
PET
PORTLAND
PRIMUS
QUEBEC
QUEST
QUYTANGLE
QUYTA
RANDALL
REGINA
SAMAR
SLEMON
SNOWDEN
SOVEREIGN
SUNSET
TANAUR
TARTAN
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CONSULTANT: Heat Treatment
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REGISTERED PROFESSIONAL ENGINEER
Elgin 5548. 319 Bay Street, Toronto, Ont.

The Wawanesa Mutual Insurance Company

| | |
|---|---|
| **Admitted Assets...** | **$5,833,185.28** |
| **Surplus ...........** | **3,039,566.10** |
| **Dom. Govt. Deposit** | **2,292,892.17** |

*Write for Financial Statement*

**Head Office: WAWANESA, Man.**
**Eastern Office: TORONTO, Ont.**

*Branches*
VANCOUVER, SASKATOON
WINNIPEG, MONTREAL

**THE STERLING TRUSTS CORPORATION**

**Balance Sheet, December 31st, 1946**

**ASSETS**

| | | |
|---|---|---|
| **CAPITAL ACCOUNT:** | | |
| Office Premises, Safe Deposit Vault | | $ 89,760.07 |
| Real Estate held for sale | | 6,081.67 |
| Mortgages and Agreements for Sale | | 412,278.77 |
| Stocks | | 267,069.61 |
| Bonds | | 187,161.18 |
| Loans on Stocks and Bonds | | 10,808.70 |
| Advances to Estates, Trusts and Agencies | | 34,045.17 |
| Accounts Receivable | | 2,665.73 |
| Cash on Hand and in Banks | | 73,999.29 |
| | | $ 1,083,869.19 |
| **GUARANTEED ACCOUNT:** | | |
| Mortgages and Agreements for Sale | | $ 2,328,419.11 |
| Government Bonds | $668,324.01 | |
| Municipal Bonds | 192,385.88 | |
| Corporation Bonds | 119,900.00 | |
| Interest Accrued | 5,141.42 | |
| | | 985,751.31 |
| Stocks | | 102,419.75 |
| Cash on Hand and in Banks | | 123,124.02 |
| | | $ 3,539,714.19 |
| **ESTATES, TRUSTS AND AGENCIES:** | | |
| Funds, Investments and Assets held | | $ 6,197,110.27 |
| Cash on Deposit | | 434,579.57 |
| | | $ 6,631,689.84 |
| | | $11,255,273.22 |

**LIABILITIES**

| | |
|---|---|
| **CAPITAL ACCOUNT:** | |
| Capital Paid Up | $ 824,100.00 |
| Reserve Fund | 200,000.00 |
| Reserve for Taxes | 16,000.00 |
| Accounts Payable | 8,608.03 |
| Dividend Payable, January 2, 1947 | 20,590.01 |
| Profit and Loss Balance | 14,571.15 |
| | $ 1,083,869.19 |
| **GUARANTEED ACCOUNT:** | |
| Guaranteed Trust Certificates | $ 2,561,388.37 |
| Deposits | 978,325.82 |
| | $ 3,539,714.19 |
| **ESTATES, TRUSTS AND AGENCIES** | $ 6,631,689.84 |
| | $11,255,273.22 |

*All Stocks and Bonds shown at less than Market.*

**PROFIT AND LOSS ACCOUNT**

| | |
|---|---|
| Balance brought forward from 1945 | $ 26,201.40 |
| Net Profit for year | 103,119.33 |
| | $129,320.73 |
| Appropriated as follows: | |
| Taxes | $ 25,949.00 |
| Depreciation | 1,898.74 |
| Dividends | 36,901.84 |
| Transfer to Reserve Fund | 50,000.00 |
| Balance carried forward | 14,571.15 |
| | $129,320.73 |

# Rupununi 'Clicks'—Cuts Ore Twice Now Drilling On Rich Paunch Zone

**By GORDON M. GRANT**

Drill hole No. 4 of Rupununi Mining Co. has responded with two wide intersections of ore grade—and assays are yet to come on over 110 ft. of favorable looking core from the bottom of this discovery hole, The Financial Post is informed.

Because there are indications of considerable concentrations of gold on both the footwall and hangingwall sides of each indicated shoot, the possibilities are seen of eventually mining (a) a fair tonnage of high-grade ore on the sides of two or three zones; or (b) a much larger tonnage of medium- and low-grade ore.

Five crews have sluicing well under way to establish the most favorable sections for placer mining. Two crews are at work on Locust Creek while Toucan, Diaz and Paunch Creeks have a crew each. In No. 2 area sampled on Locust Creek, total excavation averaged $1.05 a cu. yd. in gold while the actual gravel gave $3.32 a cu. yd. Area No. 1 gave an average of only 33 cents a cu. yd. for total excavations but the gravel ran $3.92 a yd. Banka drills are now available for testing of alluvial material.

### 2,000 Feet From Paunch

The drill hole in which Rupununi "clicked" with hard rock values is located on the side of Marudi Mountain and is about 2,000 ft. from the site of the old Paunch workings where very high values were reported secured by previous operators. Actually No. 4 drill hole was only the second hole to get into hard rock, one previous getting into rock and apparently running parallel with the formation. That ore values should be located in drill hole No. 4, it is hoped, is proof of the widespread occurrence of gold values which had been inferred from the surface indications of gold deposition provided by sizeable gold-bearing boulders found over a wide area.

Drill hole No. 4 is known to possess at least the two sections carrying gold values—from 190 to 215 ft.; and from 370 to 400 ft. 2 in. Starting at 190 ft., 2 ft. averaged 0.40 oz. gold. Values ran all the way from 0.02 oz. over 3.5 ft. to 0.26 oz. over 2 ft. in the next 19.5 ft. and this was followed by 2.5 ft. averaging 0.60 oz. gold per ton. Average over the full width of 25 ft. was $6.972 with the core width representing about the full width as drilling is believed to be at about right angles to the formation.

### Get 1.10 Oz. Over 2 Ft.

The hole continued in volcanics to footage 370 at which quartz stringers started to show in the volcanics. An observer says that from 370 to 485 ft., the hole appeared to run close to 50% quartz. Mineralization was not very pronounced after 409 ft. but shows up quite well again at 475 ft. At 510 ft.—the latest drilling depth reported—the hole still showed quartz with the last 20 ft. showing mineralization on both contacts. Starting at 370 ft., 2 ft. returned an assay of 1.10 oz. gold per ton. Assays then varied from 0.20 oz. to 0.16 oz. down to 400 ft. 2 in., the last point for which assays are available. A foot at 374 ft. was to be rerun and assays are not available. This zone is described as a massive one of great width and with gold occurring in the quartz, quartz and volcanics, and mineralized volcanics.

Values have varied with the degree of mineralization so that the mineralization reported in the hole around the 500-ft. horizon may possibly be indicative of further commercial assays yet to come.

An interesting development has been discovery of a white mineral which personnel at the property have been unable to identify. Samples of this have now been received in Toronto and are being tested.

Hole No. 5 was lost at a depth of about 50 ft. in rock and hole No. 6 is now being put down to test for the extension of the gold values of the Paunch zone. When No. 4 hole is finished off, the drill will probably be used to follow the zone along strike. Widths are so great that the zones could make tonnage in a hurry. There is nothing to indicate that No. 4 drill hole necessarily struck the zone in its richest part.

Rupununi has its initial capital expenditures behind it and is in a position to make ore news rapidly now. Skilled labor is reported available at $1.50 a day plus keep. The Government requires that a minimum of 50 cents a day be spent on keep. Camps adequate for a crew of 100 men have been erected and a crew of 50 men are presently engaged on the project.

## Bargold Cuts $20.05 Across Narrow Width

Diamond drilling of the Jackson fault on property of Bargold Mines in Barraute twp., Que., has returned $20.05 at 151.4 to 152.3 ft., The Financial Post is informed. Five widely spaced holes have been completed along the fault to date, with plans now calling for an additional 4,000 to 5,000 ft. along this western section of the property.

Seventeen bulk samples weighing 200 lb. each were taken from the Jackson showing some of which returned the following assays: $13, $3.22, $4.76, $9.55, $22.78, $10.88, and $3.53. The over-all average of the seventeen samples was $5.49.

A magnetometer survey carried out on the property in 1946 disclosed two main systems, the Laflamme and Jackson faults. Principal attention has been directed to the latter showing.

The company recently purchased the southern half of lots 46 and 47 from Bartec Gold Mines, a subsidiary of Teck Hughes Gold Mines. A complete camp to house a crew of 15 men has been built, and ample funds are reported for financing present development.

## Broulan Porcupine Operates at Profit

Broulan Porcupine Mines bullion production amounted to $578,553 from 75,791 tons of ore treated, an average recovery of $7.63 gold per ton in 1946 ($653,917 from 89,392 tons and $7.31 per ton in 1945).

Operating profit, before write-offs of depreciation and deferred development but after allowance for taxes, was $140,000 in 1946 as against $178,000 in 1945. Net current assets, including stores, amounted to $457,688 as at Dec. 31, 1946. Investments in mining shares (cost $461,628) showed an estimated market value of $800,000.

## Can. Mining Institute To Hear C. C. Huston

Canadian Institute of Mining & Metallurgy (Toronto branch) is holding a dinner meeting at Royal York Hotel, Feb. 20. Mr. C. C. Huston is to address the gathering on "Prospecting in the Guianas."

An open discussion is to be held regarding a proposal to re-organize Council submitted by H. R. Banks, superintendent, Sullivan concentrator. The Institute is to be host to third- and fourth-year students in Mining and Metallurgy, University of Toronto.

## Sullivan Production Down 12.06% in 1946

Bullion production of Sullivan Consolidated Mines was $987,289 from 120,939 tons of ore treated, an average recovery of $8.16 in 1946 ($1,106,307 from 126,080 tons ahd $8.77 in 1945).

Output amounted to $228,569 from 27,848 tons, an average of $8.21 in final three months of 1946 as against $200,109 from 26,770 tons and $7.48 in three months ended Sept. 30, 1946).

**KIRKLAND LAKE GOLD MINING CO.** experienced a reduction in earnings from 3.3 to 1.7 cents a share in 1946 due to difficult operating conditions but no less than 77% of drifting was in ore during the period.

Ore opened on various levels in 1946 is as follows:

| Level: | Length ft. | Average width ft. | Cut Grade $ |
|---|---|---|---|
| 46th | 28 | 2.0 | 17.94 |
| 47th | 101 | 2.0 | 10.00 |
| 49th | 214 | 4.0 | 32.30 |
| 50th | 256 | 3.0 | 17.60 |
| 53rd | 388 | 3.0 | 24.80 |
| 54th | 1,070 | 3.0 | 23.30 |
| Total | 2,057 | 3.0 | 23.50 |

As an additional 808 ft. of ore averaging $23.95 over 3 ft. had been opened in drifting at the 54th level in 1941 and 1942, 1,873 ft. of ore had been opened ready for stoping on this level at the end of 1946 with further ore indicated in veins by diamond drilling at this level. Development has been started on the 50th and 53rd levels but opening of the 51st and 52nd levels has not yet begun.

No work has been done on the new ore below the 54th level but No. 2 winze, to the east, is down to the 58th level and the zone is to be explored to the 58th level from this opening.

Owing to increased cost of labor and supplies and the lower price for gold, an appreciable amount of ore was dropped from reserves during 1946.

**INCOME ACCOUNT**

| Years Ended Dec. 31: | 1946 | 1945 |
|---|---|---|
| Gross production | $1,094,837 | $1,086,212 |
| Less: Oper. exps. | 900,380 | 782,534 |
| Taxes | 35,310 | 60,292 |
| Net oper. earn. | 159,147 | 243,386 |
| Add: Other inc. | 14,735 | 9,579 |
| Total net inc. | 173,882 | 252,965 |
| Less: Deprec. | 79,494 | 75,274 |
| Net profit | 94,388 | 177,691 |
| Less: Dividends | 159,801 | 213,068 |
| Deficit for year | 65,413 | 35,377 |
| Earnings per Share and Dividend Record: | | |
| Earned | $0.017 | $0.033 |
| Paid | 0.03 | 0.04 |

**CONDENSED BALANCE SHEET**

| As at Dec. 31: | 1946 | 1945 |
|---|---|---|
| Cash & bullion | $379,100 | $369,879 |
| Bonds | 60,558 | 161,092 |
| Accts. rec. | 2,223 | 2,110 |
| Mine stores | 145,780 | 107,708 |
| Total curr. assets | 587,661 | 640,789 |
| Develop. acct. | 551,103 | 551,103 |
| Def. chgs., etc. | 3,143 | 2,727 |
| Other co. shs.▲ | 15,891 | 15,891 |
| Mng. cls. & prop. | 4,221,706 | 4,221,706 |
| Plant & equip.* | 431,372 | 459,346 |
| Total assets | 5,810,876 | 5,891,562 |
| Total curr. liabs. | 77,504 | 92,777 |
| Capital stock | 5,326,699 | 5,326,699 |
| Surplus | 406,673 | 472,086 |
| *After depr. of | 989,526 | 910,613 |
| ▲At cost less reserve. | | |
| Working capital | 510,157 | 548,012 |

**OPERATING STATISTICS**

| | 1946 | 1945 |
|---|---|---|
| Tons milled | 91,444 | 85,359 |
| Aver. recov. | $11.97 | $12.73 |
| Ore reserves, tons | 318,892 | 364,384 |
| Grade | $14.23 | $13.42 |

**CENTRAL PATRICIA GOLD MINES** has declared a dividend of two cents a share, payable Mar. 31 to shareholders of record Mar. 1.

**MYLAMAQUE MINES** advises that Jan. 29 installment on 100,000 shares at 35 cents has been converted into a firm commitment payable by Feb. 15.

## Noranda Will Operate New Brass Plant

Noranda Mines has purchased from War Assets Corp. the Canada Strip Mills plant at Montreal East, James Y. Murdoch, K.C., president of Noranda, announces.

A new company, Noranda Copper & Brass is being formed to take over and operate the plant. Bridgeport Brass, of Bridgeport, Conn., for over 80 years a leader in the brass industry in United States, is associated with Noranda in operation of the new company. While Noranda Mines will have financial control, Bridgeport Brass has a substantial minority interest, Mr. Murdoch said.

Operations on a limited scale have already begun. "It will take some time, however, to adapt the plant, which was built for production of brass strip for munitions purposes, to the production of commercial copper and brass products," Mr. Murdoch said. "Purchase and installation of modern equipment is being proceeded with as rapidly as possible."

The plant is adjacent to two other Noranda subsidiaries, Canadian Copper Refiners and the rod mill of Canada Wire and Cable Co. "Its location close to a supply of copper and at the head of tidewater navigation has distinct advantages," Mr. Murdoch declared. "It is planned to produce a complete line of copper and brass mill products.

"The association of Bridgeport Brass Co. in the enterprise brings with it the vast experience and 'know how' of the American company, and the developments and continued research of one of the most enterprising brass fabricating companies in the United States," he said.

Herman W. Steinkraus, president of Bridgeport Brass Co., will also be president of the new organization. Operation of the plant will be directly under the supervision of M. W. Batchelor, vice-president in charge of operations for the Bridgeport Brass Co. Sales will be supervised by A. R. Zender, vice-president in charge of sales for Bridgeport. Mr. Murdoch will be chairman of the board of the Noranda Copper & Brass Ltd.

"This new industry introduces a second source of copper and brass mill products to Canadian consumers," he said. "In addition to supplying employment to Canadian workmen, it will enable the export of a substantial tonnage of Canadian copper and zinc in the form of semifinished products rather than as raw material."

## Durham Drilling Test Gives Encouragement

Diamond drilling at Durham Red Lake Gold Mines has returned one 10-ft. core section grading $3.67 in hole 403 at vertical depth of 200 ft. and a parallel section in hole X-S-2 grading $3.50. Additional assays are being run. Four holes have been completed to date and a fifth is now drilling.

In hole 403 the brecciated section extended from 200 to 301 ft. and from 245 to 287.5 ft. this section showed considerable mineralization. Visible gold was encountered at 266 and 273.5 ft. In hole X-S-2 a section of massive mineralization extended from 185 to 225 ft.

## Aladdin Starts Test From Palomar Lake

Aladdin-Groundhog Mines has started diamond drilling from the ice of Palomar Lake, Groundhog River area, Ont., The Financial Post is informed. Initial hole in a 5,000-ft. program, being drilled south at 45 degrees, will probe shearing extending through the southern section of the property from the adjoining Joburke.

**PIVOT PROSPECTING SYND.** plans a magnetometer survey on holdings in Aiguebelle twp., Que., before diamond drilling. A grab sample from a heavily carbonized zone breaking through the claims assayed $7.80. The syndicate holds additional claims in Dufresnoy twp. and is acquiring six claims in the Yellowknife district, N.W.T.

# *Noranda Higher Copper Price Offsets Boost in Wage Rate*

After a strike of 79 days' duration, employees of Noranda Mines are being put back to work just as rapidly as possible. The management hopes steady production will be under way again in a reasonable length of time, The Financial Post is informed.

Employees get a 13-cents-an-hour wage increase; but no check-off.

### Cost—$432,000 P. A.

Cost of the increase to the company on the basis of 1,200 employees affected will be in the neighborhood of $432,00 per annum, it is estimated, or nearly $600,000 a year on the basis of the 1,600 employees the company employs when adequate manpower is available.

On the basis of 1946 production, Noranda may possibly receive $541,700 extra revenue with the increase in the domestic ceiling on copper from 11.5 to 16 cents a pound last month. Thus the increase in wages about offsets the improvement in revenue realized from sale of about 50% of the company's output in the domestic market.

### "Work For All"

Discussing the strike settlement, H. L. Roscoe, vice-president and general manager, declared that every employee is to be put back at work at his old job or a substitute to tide him over just as soon as possible. No person is going to find that the company is holding a grudge against him because he has been on the picket line or engaged in legitimate strike activities, he reports. Within a very few days every man who worked in the mine will be back on the job but the smelter and concentrator cannot operate until ore is available, Mr. Roscoe pointed out.

"It will probably be some time before we can have the smelter, the concentrator and the shop operating at pre-strike rate, but we are going to do everything we can to make that time as short as possible because we are just as anxious to get back into production as the men are to get back to work," Mr. Roscoe said.

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## Sherritt Gets Ore, New Holes

### Close in Holes Find Ore; Outer Holes Not Quite so Favorable

Drilling of vertical test holes in a line 50 ft. west of the No. 160 discovery hole on "L" anomaly has returned ore intersections in all but one hole but work is not yet sufficiently far advanced to give a clear picture of the new ore "plug" secured by Sherritt Gordon Mines at Lynn Lake, Man.

Hole 160 was continued, went out of ore at a depth of 639 ft. and was finally stopped in hornblendite at 710 ft. Its average from 37 to 639 ft. was 4.83% nickel and 1.63% copper.

No. 162 hole, which was 50 ft. west and 50 ft. north, was in and out of ore from 82 to 293.5 ft. From 82 to 149 ft. it averaged 3.11% nickel and 1.74% copper, and from 269 to 293.5 ft. it averaged 3.72% nickel and 1.00% copper.

Hole No. 164, 50 ft. south of No. 162 and 50 ft. west of 160, encountered ore at a depth of 28 ft. and is reported drilling in ore at a depth of 60 ft.

Hole No. 163, which is 50 ft. south of No. 164, encountered ore at a depth of 37 ft. and is reported drilling in ore at 50 ft.

Hole No. 161, 50 ft. to the south of No. 163, was in hornblendite and no ore section has been reported for it.
0.02 oz. to 0.16 oz. down to 400

No. 166 is being located 50 ft. north of No. 160. No. 165 will be completed 50 ft. east of No. 160.

So far all the later drilling has been to the west of the No. 160 discovery hole—and all the further holes have been in a north-south line. With the results of completion of this series of holes, the management should have a much better idea of the attitude of the deposit for the spreading out of drilling activities in other directions.

Sulphide occurrences, or plugs, can take almost any shape and the real tonnage possibilities will not be apparent for probably several weeks yet.

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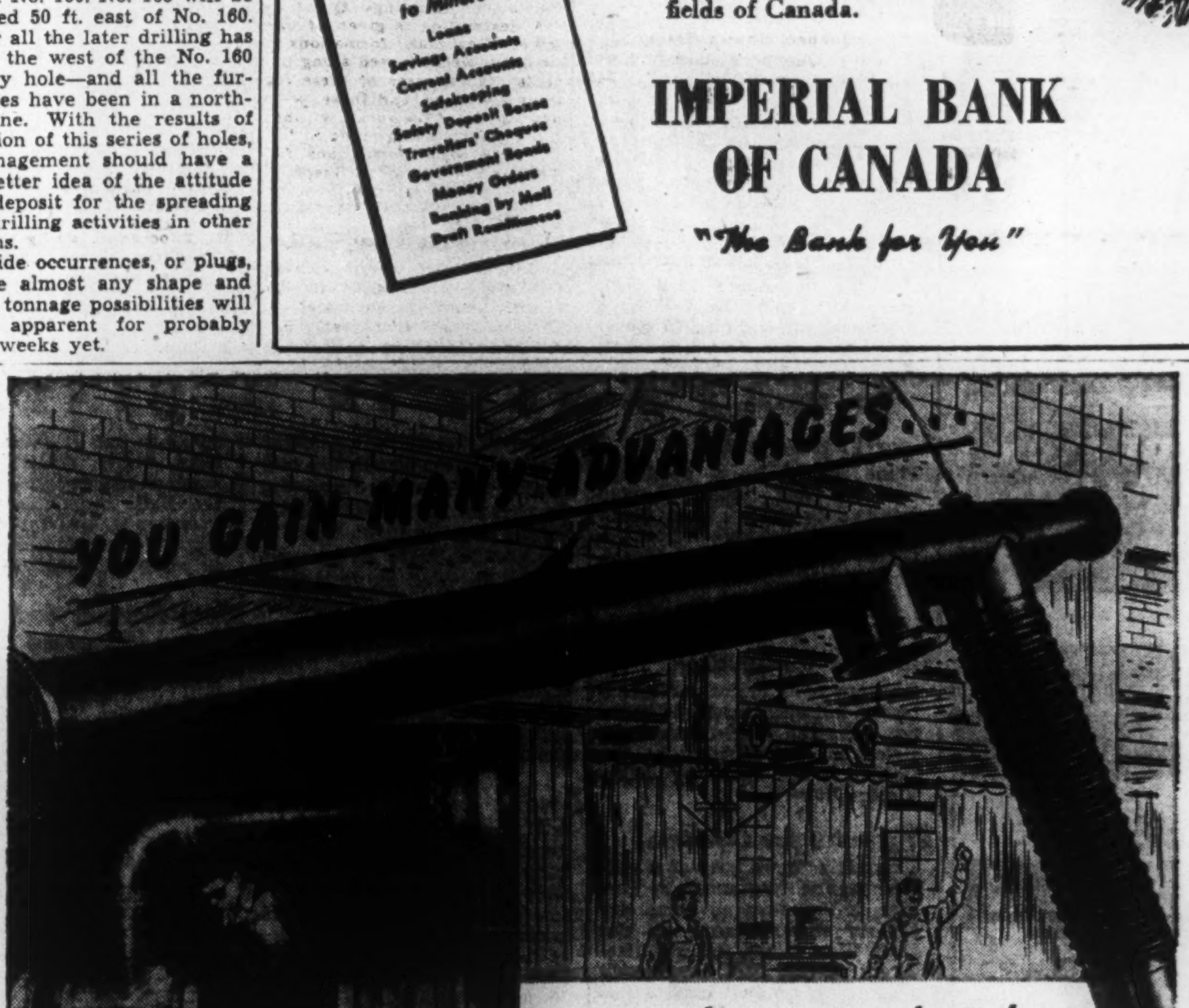

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**LONDON CALLING—*By Adelphi***

# Winter Is Worst in Half Century But National Barometer Is Rising

LONDON—We are living on the edge of a crisis. The savage weather that I have been describing in recent letters is back after a short let-up. It hit the north first and for 24 hours the deep snow on the northern moors completely cut off Yorkshire from Lancashire; Manchester from Sheffield.

These moors on which the Brontes lived their childhood, moors described in Wuthering Heights, remain so bleak and remote, although they are on the edge of great centres of population, that when a plane came down on them a short while ago, three months pased before the wreck was found. Today, under their snow cover, they are as barren as the Laurentians.

The county of Derbyshire is isolated from the rest of England and as Derbyshire supplies the milk for Nottingham and Sheffield, these cities are threatened with a milk famine. The first 100 miles of the Great North Road from London to York are impassable and over 600 lorries, many of them carrying food, lie derelict in the snow. Polish troops have been called in to clear the rails for coal trucks from the Warwickshire collieries to feed the Lancashire factories.

* * *

### Major Disaster May Be Outcome

The blizzard, our worst in 50 years, then swept south blotting out the further side of the London streets. Naturally there was a rush on electricity and gas; and with our limited stocks of coal, this has meant more drastic cuts. Great works like Austin motors in Birmingham and Cadbury's chocolate, in the same city, say they will have to close down. For the moment we stave off each of these impending crises, one at the time; but no one can tell us whether it is for a few days or weeks, or whether we can tide over the season's inclemencies without a major disaster.

The cold is affecting and infecting everybody. Over in Dublin a prisoner given two months in Mountjoy Jail begged the magistrate to shorten his sentence because of the cold.

"Aren't you better inside, these cold days?" the magistrate asked him.

"I can assure you, sir, the central heating does not come up as far as the cells," the prisoner replied.

"Very well, six weeks" said the magistrate.

The elements appear to have been peculiarly unkind to us in our difficulties. But there is at least the advantage that they have aroused us to the stark facts of our position, and started something like a spurt to get us going again. Typically, the miners at one Leicestershire pit ran up the Union Jack to celebrate their record output since the war stopped. But many people are going around saying that we cannot have an all-out Dunkirk effort while we are governed by a party which only rallied 48% of the voters at the peak of its popularity; and that an all-out national effort requires a noncontroversial government on national lines.

* * *

### Political Revolution May Be in the Making

Yet by no means all non-Socialists (the term anti-Socialist is getting unpopular) want to see the one form of National Coalition that would be practical politics at the moment, i.e., a line-up of the big Party machines with a baker's dozen of Independent or Liberal M.P.s. thrown in, to speak for the wretched consumers. Better one old gang than two for the moment, say many Conservatives.

Meanwhile interesting things are happening behind the political scenes. Men and women of all parties and none, are meeting at one another's homes, discussing the present position and alternative ideas and working out policies which will emerge behind the backs of the official organizations and may revolutionize the face of British politics altogether.

Our troubles, I think, are partly due to a natural desire to look back on our epic yesterdays and re-live the experiences of the Blitz, Dunkirk. El Alamein and D-Day instead of concentrating the enormous latent energies of our people on the dreary problems of today and the mighty effort of tomorrow which, personally, I am confident is going to see a great national regeneration. We have not yet quite adjusted ourselves to the postwar world. We are still living nostalgically in the war world.

* * *

### Zionist Extremists Antagonize Jews' Friends

The British, you see, are not an imaginative people. If they had been, they would have thrown up the sponge when France fell. It takes time for them to wake up to the unpleasant reality of the moment. It took them three years to wake up to the threat of Fascism. At the moment they are just beginning to take stock of what is happening in Palestine, where the silly Zionists have been putting up the backs of Jewry's best friends (Jew and non-Jew) in this country by their shameful passivity in face of the outrages perpetrated on British soldiers and officials.

The situation is tense, for, if the Jews are a stiff-necked people, so also are we. The decision to evacuate British women and children has shocked the whole country. It looks a deal too much like running away for our liking. Particularly repugnant was the advice to newspapermen to clear out. I have yet to learn of a British correspondent who proposes to follow it. That is to our credit, I think, as is also the fact that even these outrages have failed to stir any anti-Semitic feeling in this country, which is freer from anti-Semitism than any other in the world; although organized Jewry in the United States seems to be determined that it shall cease to be so.

But it is not only the Jews who are playing into the hands of our extremer imperialists. Palestine Arabs, though quiescent are just as uncompromising and the outburst of anti-British feeling in a neighboring Arab country, Egypt, has damped down the friendlier consideration of the Arab point of view, that Zionist excesses were creating among our people.

* * *

### Horizon Brighter On the Home Front

Look where you will, and the prospect is as bleak as that which greets me from my window opening upon a snowswept London. Look where you will, except, that is, under your nose. Everyman, in the old Morality play travelled, I believe, round all the medieval world in search of Love, and came back to find her waiting by his fireside. Well I have been roaming the world, in my mind in search of hope and found it in the London streets.

The people in trains and buses, pubs and clubs, are not exactly the good-humored, simple cockneys that I used to know. They are more intelligent. But they are so eminently reasonable in their views, so enlightened in their opinions, so sensible in their manner, that an 80-year-old Londoner I know, tells me our people never filled him with so much confidence as they do today.

I must say I agree. I have just been to one of our best-known Public schools. It was a really stimulating experience. The younger generation are, without being precocious, so much more balanced, competent and considerate than the generation with which I was at the same school, that I simply cannot be upset by any of these prognostications of our impending doom. These were a pretty good cross-section of young England and believe me, there is no lost sense of adventure or doubt about tomorrow among the kid brothers of the men who won the battle of Britain.

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## WHAT'S NEW IN BUSINESS

**Manufacturers of products that are either completely new or are being made in Canada for the first time are invited to contribute to this column. Describe the product, state its purpose, outline in what respects it is new, and indicate its significance to its field.**

### *Boardinghouse Aid*

What should be a boon for boarding and rooming-houses troubled by the hot-water problem is a faucet-type heater reported from the United States. The manufacturers claim that it makes cold water hot the instant the tap is turned on.

* * *

### *Jukebox Competitor*

Coin-operated radios for distribution in hotels, hospitals, country clubs and tourist camps are slated for introduction in the United States soon by RCA-Victor Division.

* * *

### *Fragrance for Cleaners*

There is a "mere wisp of a delicate garden fragrance" to Parfum, a French-type, home dry cleaner manufactured on the U. S. West Coast, the manufacturers report. The company is sending its product east as fast as distribution and production permit.

* * *

### *Tape Saver*

For easier, more economical dispensing of pressure sensitive tape in all widths up to one inch, A-L-D-E Engineering Company in the U.S. has brought out its Tape Saver. Precision stamped of stainless steel, it takes either a one or three-inch tape cord. A simple indicator on the side can be set for any desired length from three-eighths to three inches. When it is set, it automatically ejects and cuts off ready for use the exact amount required.

* * *

### *Double Use for Fans*

A U.S. firm is manufacturing a detachable housing for an ordinary fan which makes it possible to convert the fan into a forced-air heating unit. With the housing in place, the unit is a 1,320-watt forced air heater. With the housing removed, a 10-inch, 3-blade fan is available for summer use.

* * *

### *Plug-in Gas*

American Gas Association has designed a pipe and socket fixture which should enable any housewife to connect or disconnect a gas refrigerator, range or heater.

* * *

### *Aid to Air Shipments*

Transportation of perishables by air is the main use for a new shipping container. It will hold an 80-degree F. differential for eight hours without replacement of the dry ice refrigerant, the U.S. manufacturers claim. Pressure-sealed, rubber-covered zippers keep outside air from entering the container.

* * *

### *Spot Enamel Stripper*

A new spot enamel stripper for removal of synthetic enamel and other coatings, "Stripper S-45" is a slightly viscous liquid that can be brushed, sprayed or applied by dipping to the work to be stripped. The stripper has no harmful action on metals, plastic or wood.

* * *

### *Coated Fiberglas*

A new vinyl resin-coated Fiberglas fabric has been developed in Canada and is now available in various weights and thicknesses of coating suited to industrial and decorative uses. Applications already found include conveyor belts, diaphragms, non-inflammable and oil-resistant industrial curtains, awnings, seat covers, interior decoration for aircraft and ships. The fabric, resistant to ordinary acids, alkalies, oil and grease, claims high durability and dimensional stability.

* * *

### *For War on Bugs*

Chemical research continues to provide new insecticides. "Bug-Ban" contains Chemical 1068, a chlorinated hydrocarbon (C10 H6 C18) insect toxicant. Rapid and efficient action in the elimination of a wide range of household, veterinary and agricultural pests are claimed by the manufacturers.

* * *

### *Clears Air of Bugs*

Man is always looking for an easy way to do things, even to killing bugs. A U.S. firm has produced an automatic insecticide unit which is filled with a special fluid, the vaporizer set, and a time-clock plugged in. From there on, it's on its own, and the manufacturers claim positive kills in areas of 500,000 cubic feet.

---

**TRANS-CANADA AIR LINES** have commenced semimonthly flights between Montreal and Goose Bay, Labrador. First flight was Feb. 4 and it is expected that future flights will leave the first and and 15th of each month.

Passengers, mail and freight are carried in Lancastrians on the 780-mile run. The first flight which left Dorval arrived at Goose Bay in three and a half hours, it is stated.

EIGHTH ANNUAL REPORT
— 1946 —

|  | 1945 | 1946 | Increase % |
|---|---|---|---|
| New Business | $ 6,631,534 | $ 8,922,575 | 34.5 |
| Business in force | 24,597,661 | 32,546,745 | 32.3 |
| Policyholders | 15,801 | 20,155 | 27.6 |
| Assets | 1,368,250 | 1,817,099 | 32.8 |
| Receipts | 601,512 | 808,731 | 34.4 |
| Actuarial Liabilities | 893,017 | 1,287,521 | 44.2 |

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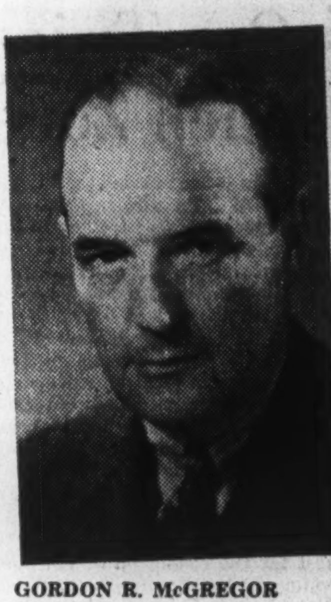

GORDON R. McGREGOR

**TCA general traffic manager, Winnipeg, has been named first vice-chairman of the North Atlantic Traffic Conference of The International Air Transport Association.**

## Dishwasher Firm Stock Is Offered

A prospect of a new automatic dishwashing machine, suitable for home use, is seen with the offering of stock in the recently formed Triumph Dishwasters Ltd. Currently being offered are 50,000 5½% cumulative redeemable preferred shares par $5, and 50,000 no par value common shares at a price of $6 per unit of one preference share and one common share. The company is making the offering directly.

Incorporated July 12, 1946, Triumph Dishwashers proposes to manufacture domestic appliances. It owns the patent rights and is preparing for production of a new automatic dishwasher which was developed by the present president.

The company owns a plant with more than 30,000 sq. ft. floor space in Guelph, Ont., and hopes to be in production in about three months. Primary production objective is 5,000 machines monthly, at estimated net profit of $25 each, the prospectus states. Selling price of the machine is expected to be $149.

Capitalization on completion of present financing will consist of $500,000 authorized, $410,300 outstanding, 5½% preference shares, $5 par, and 500,000 authorized, 306,487 outstanding, no par value common shares. President S. G. Burt-Wells holds about 33% of the issued common shares, it is stated.

Directors are S. G. Burt-Wells, president and manager; W. J. Freer, secretary; and A. E. Hanna, all of Toronto; A. A. Vassar, London, Ont., and Walter Sarjeant, Barrie, Ont.

# Saskatchewan Inspects Mutual Benefit Groups

### Both Insurance Clubs and Mutual Benefit Associations Under Provincial Supervision — Increased Ages of Members Chief Worry

From Our Own Correspondent

REGINA—Operation of insurance clubs and mutual benefit associations which assess their membership to pay claims when a death occurs is permitted today only in Saskatchewan and British Columbia, according to J. A. Young, superintendent of insurance for Saskatchewan. Insurance clubs in Alberta and Manitoba were dissolved by legislation several years ago.

Findings of two royal commissions in British Columbia indicated there were irregular practices, gross inefficiency and mismanagement in clubs in that province. The future of the B. C. groups will be considered at coming session of the Legislature.

The clubs operate in Saskatchewan under strict supervision. As a result, according to Mr. Young, "there have been virtually no abuses by officials with respect to administrative costs and expenses and salaries for directors."

The chief difference between the insurance clubs and the mutual benefit associations in Saskatchewan is that the latter are limited to payments of $400 death claims, while the former pay claims ranging from sums up to $1,500 and $2,500.

There are five clubs in Saskatchewan with an estimated total membership of about 18,400, of which about 50% are over 50. Three of these clubs have a preponderance of members past this age and in one of them 76% are 50 or over. The province's 35 mutual benefit associations boast 32,000 members.

The insurance clubs constitute the chief worry of the Government because as they grow older (the first one was organized in 1923) the members grow older and increased age groups mean increased death rates which in turn mean increased assessments.

As these clubs are not organized on an actuarial basis—young and old pay the same assessment on a "death call," and the same membership and joining fees—there is the danger that the young members will drop out in face of increased assessment. Insurance companies maintain they can provide adequately financed regular insurance at lower rates with cash surrender values not available under the club schemes.

The five clubs operating in Saskatchewan with membership listed in 1946 are: Co-operative Family Protective Association, St. Victor, Group A $1,500 club, 7,876 members, Group B $2,500 club, 4,152 members; Regina $1,500 club, 1,388; Travellers $1,500 club at Yorkton, 2,601, and the Prairie Mutual Benefit Association at Moose Jaw, 2,362 members.

These are not licensed but pay fees for supervision. The mutual groups are licensed under the Insurance Act. Thus both are under government supervision.

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H. V. LAUGHTON, K.C.

Mr. Laughton, Vice-President and General Manager of the National Trust Co. Limited, whose election as a Director of the Canada Life Assurance Company has been announced.

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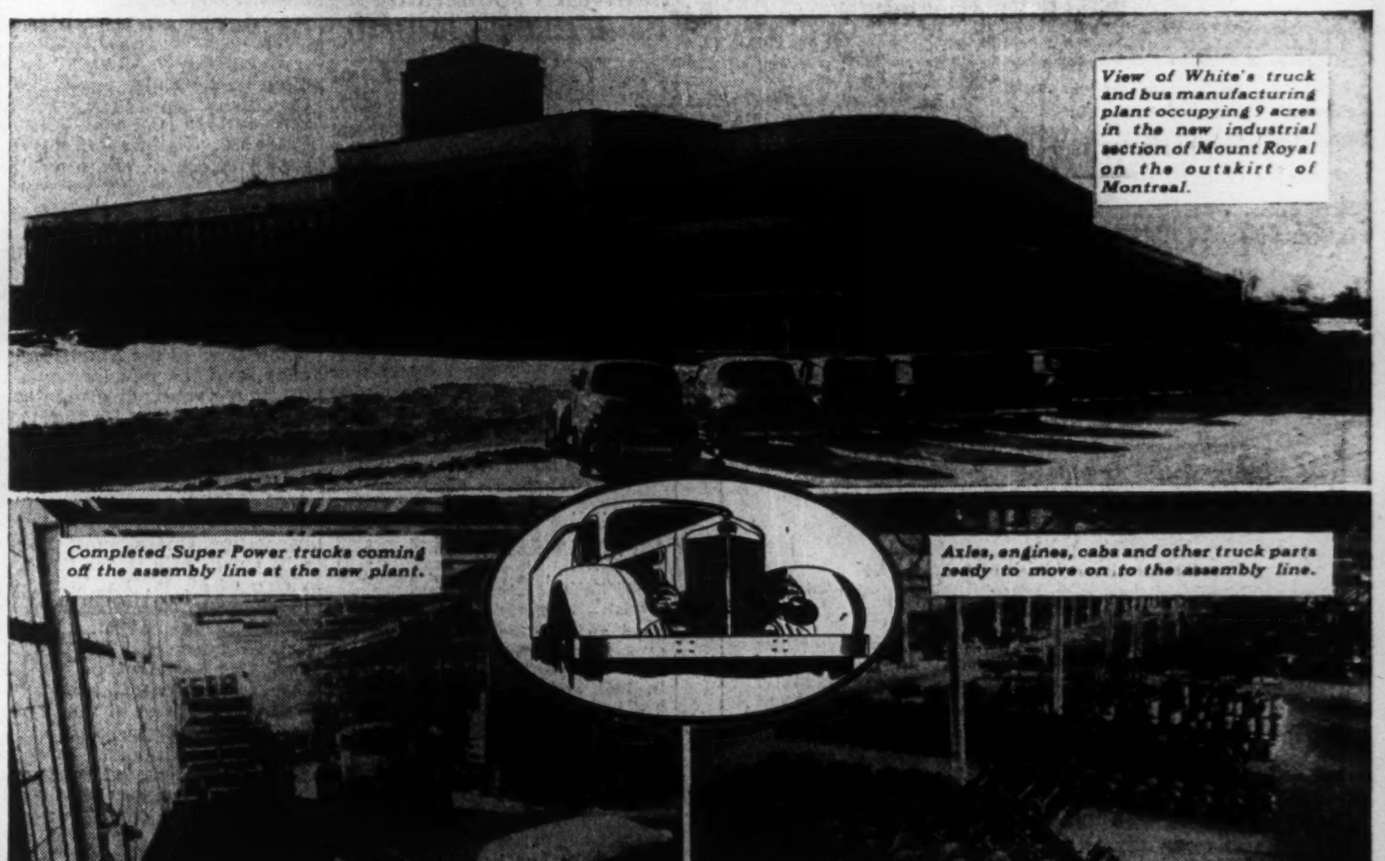

View of White's truck and bus manufacturing plant occupying 9 acres in the new industrial section of Mount Royal on the outskirt of Montreal.

Completed Super Power trucks coming off the assembly line at the new plant.

Axles, engines, cabs and other truck parts ready to move on to the assembly line.

Modern in every detail, White's new $2,000,000 plant meets the challenge of Canada's transport needs. It has been described as a model post-war factory, not only in the layout of its manufacturing facilities but also in the many refinements which contribute to ideal working conditions for all employees. These include recreation rooms, a well-appointed cafeteria, and medical service.

Using the latest post-war production methods and tooled with the most modern precision equipment, the new plant allows for expansion to meet growing domestic and export business. Excellent service facilities are provided for Quebec truck operators since the Montreal Branch Service Department is located under the same roof. This shop is considered the largest and best equipped of its kind in Canada.

The new White WB Series of Super Power Trucks, powered with the highest horsepower engines in White's history, began coming off the line in October of last year, and since that time production has been steadily increasing.

These new Whites have everything it takes to reduce transportation costs: quality—long life—better performance—fuel economy—low maintenance expense over long mileages—and outstanding service. These advantages add up to more money-earning miles for White users, and show clearly why White Super Power Trucks enjoy marked preference among the leaders in every truck-using industry.

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# Quebec Builds for Industrial Future on Broad Base

## *Expanding Companies Enter New Fields In Forest Resources, Mines and Power*

If one word could describe what is taking place in Quebec province today the word would be—change. It is not revolutionary in character, but has been in process for years and was only speeded up during the war. In 1947 evidences of this evolution (see accompanying map) are more clearly discernable and it is sometimes possible to catch a glimpse of what the future may hold for the province.

Briefly, the change could be said to represent a broadening of Quebec's industrial base. Traditionally, Quebec has been a province of five or six main industries, such as pulp and paper, textiles, boots and shoes, tobacco products, and railway rolling stock. Now the picture is changing. New products are manufactured from the province's forest resources, light metals can be economically produced because of electrical power, and Quebeckers are venturing into entirely new fields.

What are the developments which point the way to the future? Here are some:

**Plywood plant opens at Gatineau** — Officially opened in the latter part of 1946 it will have a rated capacity of about 40 million sq. ft. of plywood panels annually.

**Pulp & paper mill to re-open at Chicoutimi**—Premier Duplessis announced the Government was open for bids for the Quebec Pulp & Paper Mill, in bankruptcy since 1932.

**United Kingdom orders 460 million pounds of aluminum ingot**—Early last year United Kingdom placed an order with Aluminum Company of Canada, thus assuring continued production from Arvida plant.

**Zinc smelter opens at Arvida**—Premier Duplessis announced that American Zinc, Lead and Smelting Co. in conjunction with Quebec zinc interest formed a company to operate an $11 millions zinc smelter.

**$23½ millions power development planned for 1947**—This is the amount said required for additional power at Shawinigan Falls and on the upper reaches of the Ottawa River.

**Fishing Co-operative plans to purchase plane** — A co-operative organization of fishermen on Magdalen Islands plans to purchase one or two planes to carry fish to U. S. markets.

**Shipping**—There has been almost 100% increase in the number of Canadian shipping companies since 1939. Many of these new companies are located in Quebec.

**Motion pictures** — Two new motion picture companies announced plans to shoot full-length films in French and English. One of these companies also has plans for a movie studio to be built in Montreal.

**Tourists**—It is estimated that a million tourists spent some $10 millions during 1946.

**Forestry** — Premier Duplessis announced a forest policy for Quebec which will be implemented by legislation at the present session of the provincial legislature.

**Publishing**—Output of French-Canadian publishers in 1946 is estimated at 1,000 titles and more than 20 million volumes in French.

**Mining**—Hollinger North Shore Exploration Co. has applied to the Federal Government for permission to build a railway in Quebec province from its iron ore location to the St. Lawrence.

### Signposts to Future

While these developments are not on a par dollarwise or with respect to employment or value of output, each does give some indication which way Quebec is heading. Some illustrate the effect of broader utilization of natural resources; others represent new and in some cases untried ventures in the province. To get a more intimate look at the business of the province let us take another look at some of the milestones mentioned above.

**Pulp and paper:** This is Quebec's second largest industry and produces roughly half of Canada's pulp and paper products. Up to the present, however, a large proportion of the pulpwood cut has been exported from the province as wood pulp in various forms. Outside of newsprint Quebec's pulp and paper industry output has included comparatively small amounts of those pulpwood products which require manufacturing processes. What provincial authorities would like to see is more kraft and fine papers, more cardboard, etc.

This is one reason, and probably the most important, why the opening of the International Paper Company's plywood plant at Gatineau is considered a significant development. Apart from the fact that plywood has become a modern age material the manufacture of this product in the province means that Quebec is getting a greater return from its forest resources. Waterloo Plywood Co., which came under new ownership last year, is another link in the chain which will pull Quebec's forest resources further into the manufacturing field.

Another, though little publicized, fact regarding Quebec's pulp and paper industry is that it has virtually stopped growing. Over the past decade no new mills have gone up and there has been little or no expansion of existing ones. This to some extent was a reaction from the days when capital was flowing freely into the industry; it required subsequent years to digest its hastily bolted dollars. Another factor, in the slowing up of the industry's growth, is the present scarcity of timber limits which can be economically worked.

### Was All-out Effort

What all this adds up to is that the newsprint industry's (the most important segment of the pulp and paper industry dollarwise) 1946 production was an all-out effort. It produced more than 2½ million tons of newsprint but worked at close to 100% capacity most of the year. With no new capacity this is about the best it can hope to do. It is estimated that some additional capacity will be added in 1947; probably 100,000 tons of newsprint plus another 100,000 tons of various types of pulp, fine papers, etc. Included in this estimate is the additional production from Quebec Pulp and Paper Mill at Chicoutimi which is expected to open sometime in 1947.

Still another important development in the pulp and paper industry was Premier Duplessis' statement of a definite forest policy for the province. It is understood that this policy will be implemented by legislation at the present session of the Quebec legislature. Principles underlying the policy appear to be: (a) need for a greater return to the province from its forest resources (b) preservation and perpetuation of the forests (c) a desire by the Government to keep speculators out of the pulp and paper industry (d) to facilitate the transfer of timber limits among companies for more economical operation.

**Aluminum:** During the war aluminum production in Quebec province rose to a rate of over one billion pounds annually. This production represented huge capital investment in plant as well as electric power development. It was expected that demand for the metal would drop substantially in the immediate postwar period which it did. Early in 1946, however, it was announced that United Kingdom would purchase 460 million pounds of aluminum ingot.

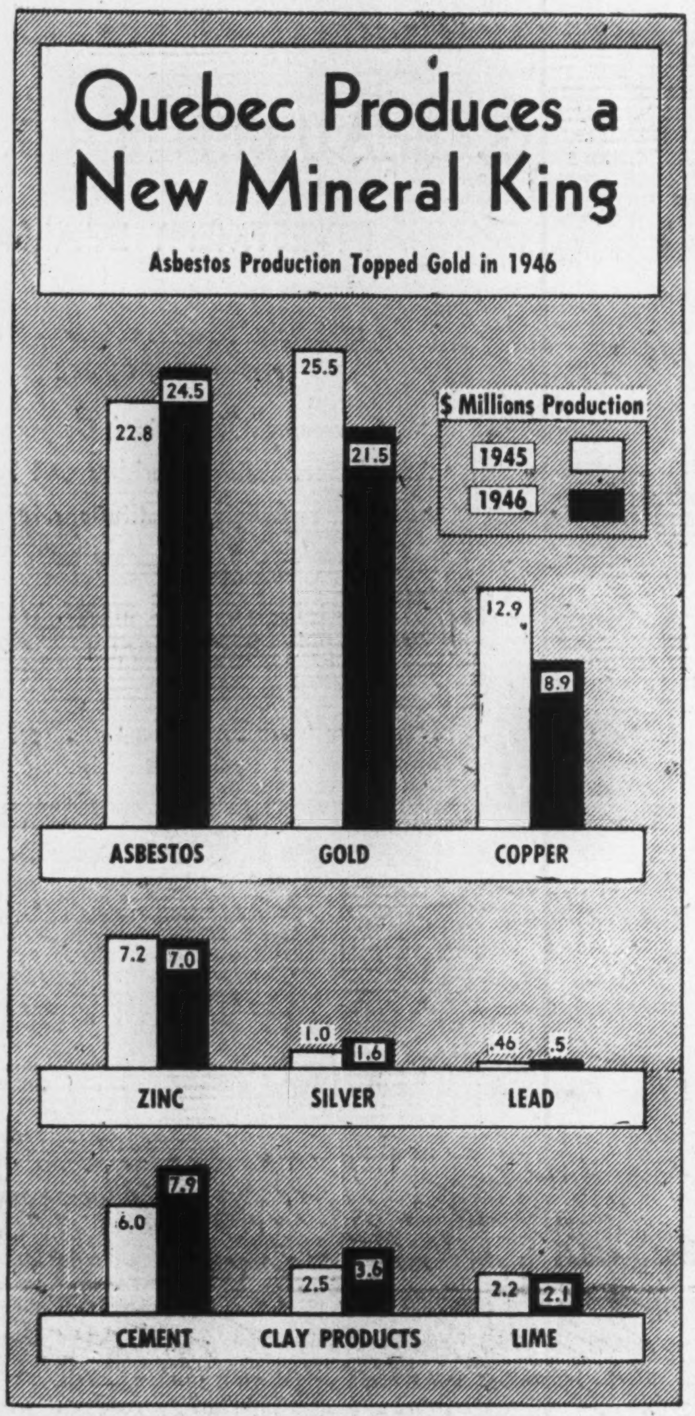
However, the aluminum battle has not yet been won since estimated 1946 production was about 40% of capacity. There are indications that there will be enough aluminum customers to warrant increased output. Last year Canadian Vickers and other Quebec shipbuilders were building ships with aluminum superstructures and this application of the metal promises a still wider field. Also the Canadian Car & Foundry Co. of Montreal used a high percentage of aluminum in its Canadian Car Brill T44 buses.

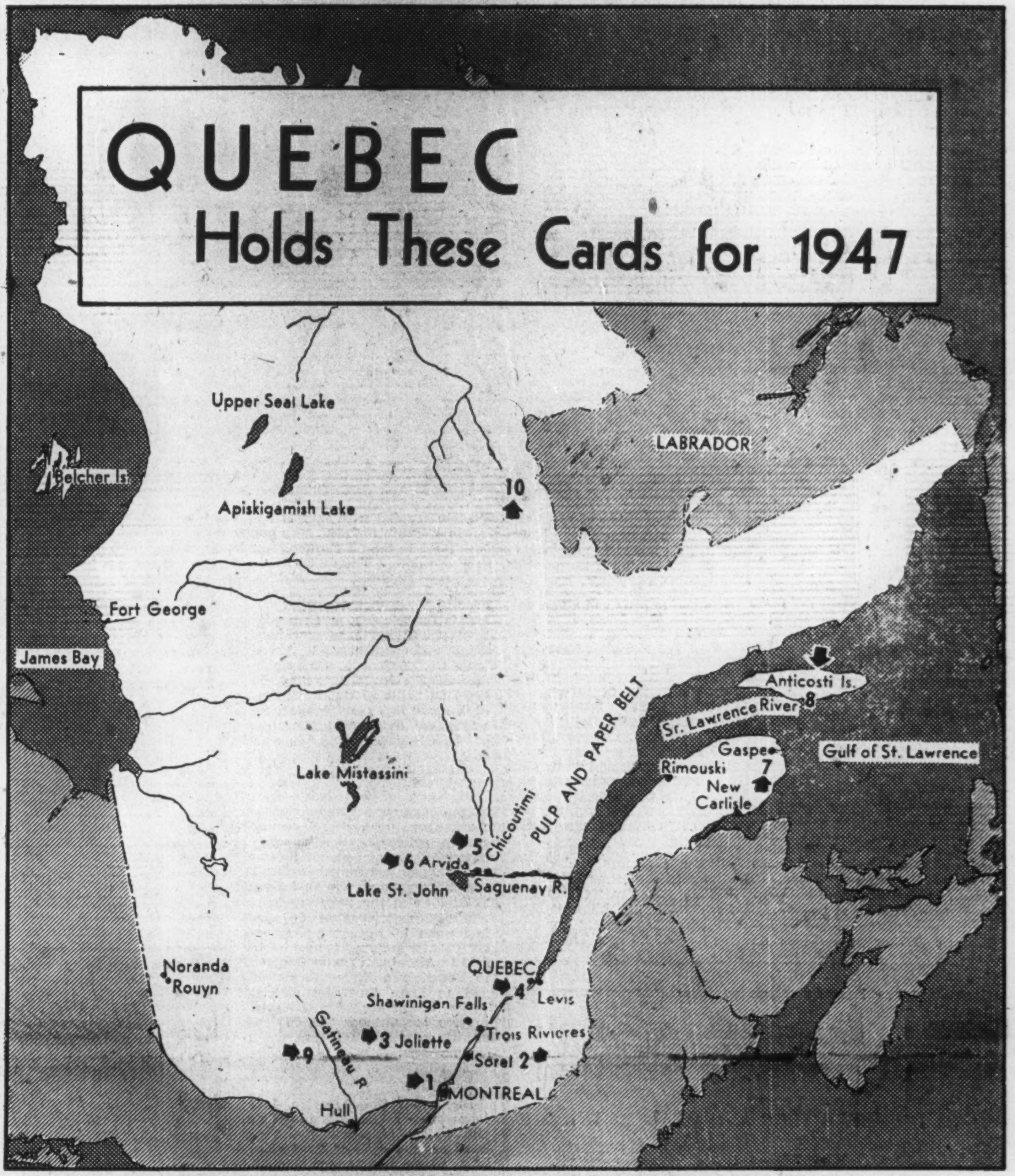
### Diversification Needed

This brief look at two of Quebec's important industries gives some idea of the changes which are coming. In the case of pulp and paper we have an industry which has become of age; thus further growth would appear to call for a broadening out through greater diversification of production. 'Aluminum indicates some of the problems experienced in a change from war to peace, but it also shows that Quebec possesses one of the important light metals industries.

These, however, are only two of many potentials in Quebec's industrial growth. Still in the metals field is the proposed opening of a zinc smelter at Arvida to cost $11 millions. Also it is reported that experimental work on magnesium is being done at a pilot plant in the same locality. But Quebec's greatest ace-in-the-hole as far as metals are concerned is not a light metal but iron. Quebec's iron deposits adjoin those of Labrador and extend 350 miles southward from Ungava Bay with an average width of 30 miles. It was recently announced that Hollinger North Shore Exploration Co. which has been granted permission to develop this area has applied to the Federal government for permission to construct a railroad from its properties to the St. Lawrence River. Accurate estimates on value of these deposits have not been reported. Capital expenditures required for development of this prop-

(Continued on page 43)





**Here are the places Quebec hopes to see in the nation's business headlines for 1947:**

**1. Montreal—Centre of Quebec's infant motion picture industry; site of Canadair plant, making DC-4M's; hub of multi-million dollar fashion business.**

**2. Sorel—Shipbuilding yards here and at Levis have orders on hand totalling $10 millions.**

**3. Joliette—Capital of Quebec's tobacco growing country. Land worth 50c. an acre ten years ago now worth up to $100 an acre and farmers realized $1.5 millions in profits last year.**

**4. Quebec—Focal point for province's $10 million tourist industry.**

**5. Chicoutimi—Quebec Pulp & Paper Co. mill, idle for 14 years, is soon to start operating again.**

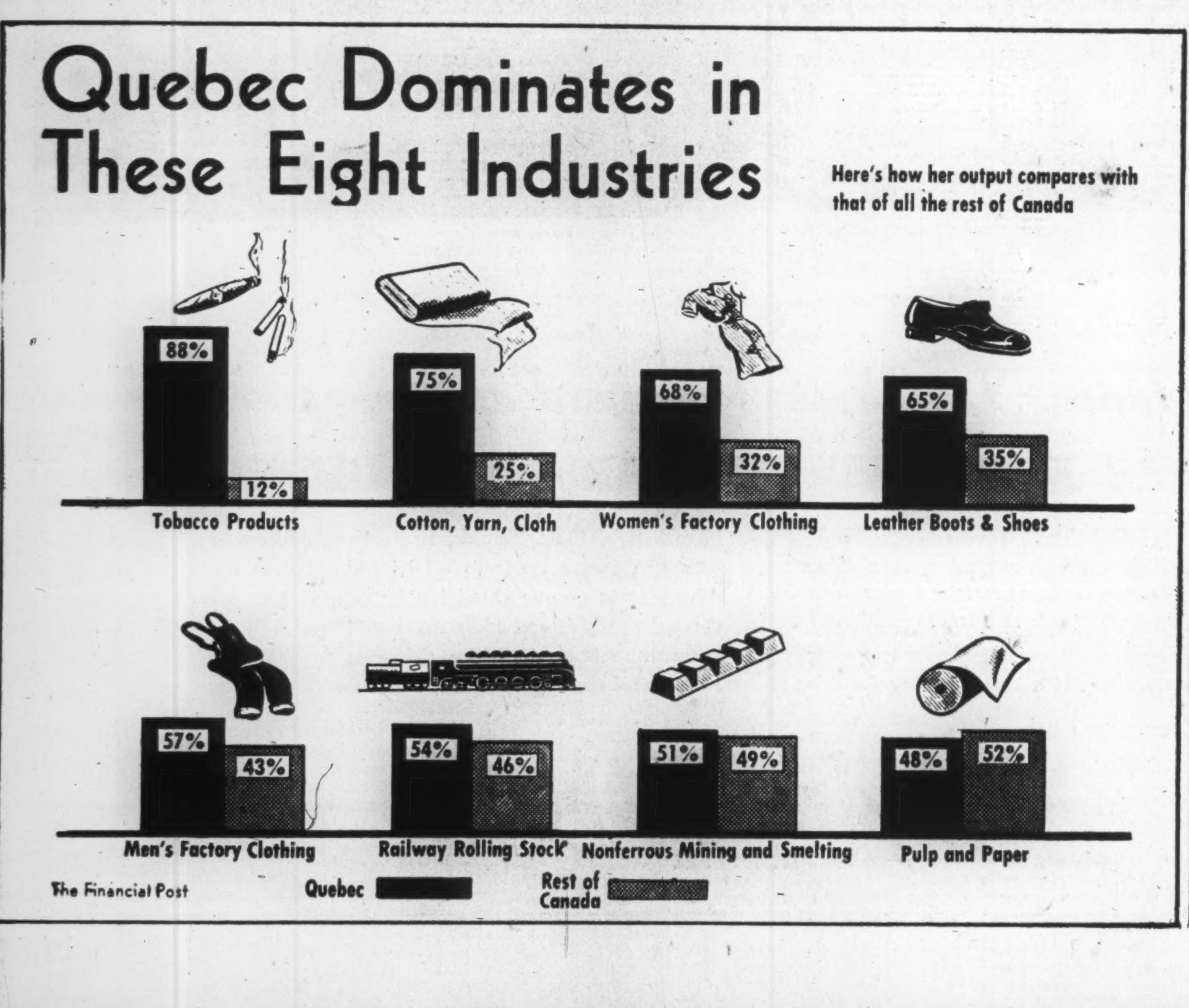
**6. Arvida—Besides aluminum, this district is shaping up as headquarters for other metals. A new zinc refinery opened in 1946 and experimental work is in progress in magnesium.**

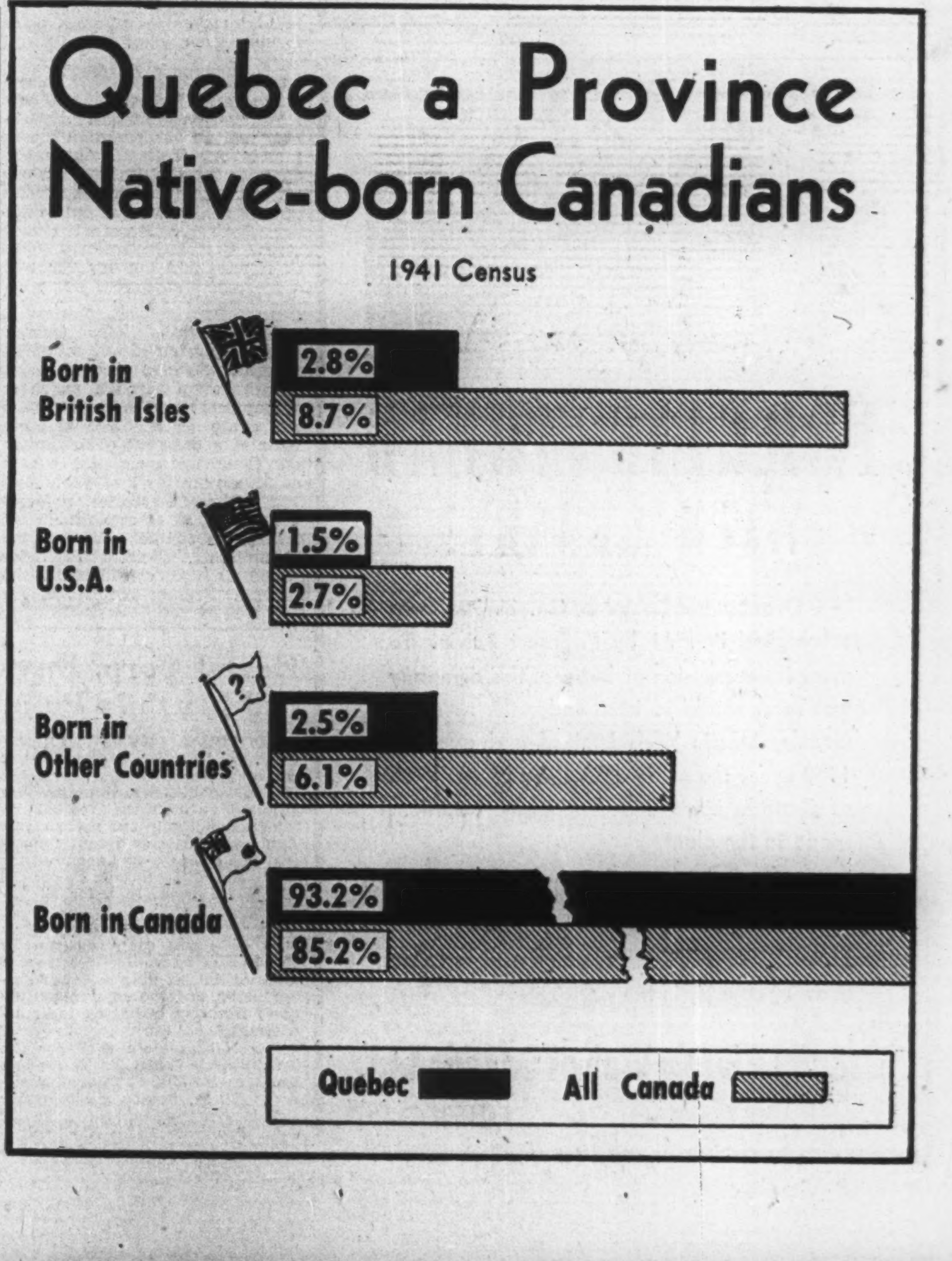
**7. Gaspe—Expects to rival the Laurentians as a tourist drawing card this year.**

**8. Anticosti Island—One of the biggest pulp and paper companies is making plans to begin pulp cutting here.**

**9. Gatineau—A large plywood plant opened here last year points the way for wider application of Quebec's forest products.**

**10. Quebec-Labrador border—Hollinger North Shore Exploration Co. has applied to Federal Government for permission to build a railway from iron ore deposits here to the St. Lawrence.**





# More Electric Power Promised in 1947 To Bring New Industries to Province

**Extension of rural electrification coupled with several new construction projects is part of Quebec's hydro-electric program for 1947. The power for new industry will come from generators such as these in the La Tuque power house of the St. Maurice Power Corporation. Each of the four generators shown develops 44,500 h.p.**

Hydro-electric power, which Quebec has in abundance and at low cost, is generally regarded as the Province's greatest asset in enabling it to attract new and heavy industries.

Quebec already has the larger portion of Canada's 4.4 million-ton newsprint industry; all the Dominion's 500,000-ton aluminum ingot capacity and, more recently, a new $11-million zinc smelter plant. In the as yet untapped field of electro-chemical and metallurgical development, power resources will be the ace up Quebec's sleeve.

Present turbine installations in the Province represent about 57% of the aggregate Canadian total with the 700,000-h.p. Beauharnois development on the St. Lawrence and the 1.2 million Shipshaw development on the Saguenay as the largest in Canada. Actually, Shipshaw has a capacity more than twice the size of any central electric station outside the Province.

### $18 Million Expansions

Public and private utility enterprise in the Province have already announced further large-scale power installation projects involving over $18 millions. These include an additional 195,000 h.p. project now being developed by Shawinigan Water & Power Co. at Shawinigan Falls; and large-scale plans by Quebec Hydro to regulate the flow of the Ottawa River, thus increasing power facilities substantially all along the line.

When completed in 1948, the Shawinigan project will bring its power installations on the St. Maurice up to approximately 475,000 h.p. Already this company has some 280,000 installed capacity on this river.

Quebec Hydro's undertaking will mean an additional 17,000 h.p. at its Rapide No. 7 project on the Outaouais River and will step up power output from the Desquinze plant of Northern Quebec Power Co. down through the Chaudiere Rapids plant of the E. B. Eddy Co. and the Gatineau Power Co. In essence, the proposal calls for spending minimum of $5 million for regulating flow of the Ottawa River; of which $3.5 millions will be spent on storage facilities at Lac Dezois on the upper Ottawa, and an additional $1.5 or $2 millions on transmission lines and a new substation near Noranda.

### Bigger Increases Near

Last year, increases in registered capacity of turbines installed was low in terms of what 1947 will nave in store for the utility industry. Lower St. Lawrence Power Co. completed a new 6,000 h.p. installation while Gatineau Power Co. expects to complete early this year its new 24,000 h.p. generating unit, begun in 1946 at its Farmers hydro-electric plant.

Power consumption last year fell somewhat below 1945 levels. Primary power consumption dropped 6 billion kilowatt hours, but secondary power consumption rose 5.7 billions. The changeover to peace meant smaller demands for primary or firm contract power by large munitions plants and companies like Aluminum Co. of Canada. Step-up in secondary sales represented, in large part, the production comeback made last year by the pulp and paper industry, large users of secondary power in place of coal.

### Saguenay Biggest

In terms of installed power, biggest Quebec development is that represented by the Saguenay system, embracing the Sagueney power 540,000 h.p. installation at Isle Maligne and Shipshaw No. 1 and 2 developments in that area. Total load in the Saguenay system in the latter part of 1946 was in around 1.5 million h.p. Saguenay Water & Power is now being sold to Aluminum Co. of Canada, to Shawinigan Water & Power and to Lake St. John district paper companies. These three sources account for 300,000 h.p. as firm power, 100,000 h.p. each. Balance is being sold, in competition with coal, as boiler or secondary power.

Right now Shipshaw No. 1 is inoperative as there is insufficient water. Shipshaw No. 2 is selling in the order of 650,000 h.p. of its power as firm power to Alcan. Balance is being sold as secondary. When new zinc smelter at Arvida becomes operative, an additional firm power load of some 25,000 h.p. yearly, will be imposed on the Saguenay system, it has been calculated.

For the most part, private utility companies were not affected by the changeover from war to peace conditions. Few, if any, of the smaller ones had contracts with war plants, and the expected trend toward decentralization may be expected to result in higher, rather than lower, sales for these operating units.

### Indemnity Deadlock

The year just concluded saw settlement on the Quebec Hydro-Montreal Power situation closer to solution. Quebec Hydro made an offer for the gas and electric assets of Montreal Power in May of 1946, which worked out to $15 per share for Montreal Power stock. Company president John S. Norris held out for $40 and shareholders supported this position.

Some months later Quebec Hydro indicated it was prepared to settle the case without resort to arbitration through purchase of Montreal Power shares at $22.50 per share or acquired through issue of a payment obligation of the Commission carrying a rate of $1 a year for five years and 75c. a share thereafter, redeemable at $22.50 at any time after five years at the option of the Commission. Neither of these proposals was considered satisfactory. Present indications are that question of indemnity will go before an arbitration tribunal as soon as the question of the Quebec Hydro appointee is resolved.

In terms of installed horsepower, here are the major factors in Quebec's giant power industry:

| Company: | River: | Name of Station: | Installation in h.p. |
|---|---|---|---|
| Aluminum Co. | Saguenay | Chute-a-Caron No. 1 | 1,020,000 |
| Beauharnois (Que. Hydro) | St. Lawrence | Beauharnois | 705,000 |
| Saguenay Power Co. | Saguenay | Isle Maligne | 540,000 |
| Aluminum Co. | Saguenay | Chute-a-Caron No. 2 | 1,020,000 |
| Shawinigan | St. Maurice | Shawinigan Falls | 279,970 |
| Gatineau Power | Gatineau | Paugan | 238,000 |
| St. Maurice Power | St. Maurice | La Tuque | 222,500 |
| Quebec-Hydro | St. Lawrence | Cedars | 206,400 |
| Shawinigan | St. Maurice | Rapide Blanc | 200,000 |
| Shawinigan | St. Maurice | Grand Mere | 197,000 |
| Shawinigan | St. Maurice | La Gabelle | 172,000 |
| Gatineau | Gatineau | Chelsea | 170,000 |
| Maclaren-Quebec | Lievre | Masson | 136,000 |
| Maclaren-Quebec | Lievre | High Falls | 120,000 |
| Ottawa Valley | Outaouais | Les Chats | 112,000 |

# Quebec School Bond Exchange Profit to Some

MONTREAL — With the Quebec Legislature scheduled to reassemble this month, investors and investment dealers expect an official announcement on the mechanics by which the Province's net funded school debt of approximately $80,000,000 will be reconverted.

Bill 48, passed at the last session of the Legislature, provided that outstanding municipal school bonds could be converted into provincially guaranteed bonds bearing interest of 2¾-3¼%. Existing bonds have an average interest coupon of about 5%.

Question to be answered is the basis on which school bonds will be exchanged for new bonds. It is expected in bond circles that the Municipal Commission will give the following answer: that the highest-coupon, longest-term new bonds, will be exchanged for those outstanding bonds with the same qualities. Whatever shortfall there will be on market prices, will be a loss to present bondholders.

Theoretically all school municipalities do not have to come under this reconversion arrangement; but in practice they appear to have no alternative. Present bondholders of those municipalities in a stronger financial position than others, may suffer capital losses on exchange up to $10 per $100 principal amount; while some other bondholders will gain by an exchange. It is pointed out that bonds to be offered in exchange for the longer term bonds of the Montreal Protestant school commission, will probably command a higher market price than that at which these bonds were originally marketed.

Whether the new bonds will be issued by the Municipal Commission or by the School Commission is a thing yet to be resolved by the Government.

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Quebec - Ottawa - Trois Rivières - Sherbrooke - St. Hyacinthe - Shawinigan Falls
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# Gilbert & Barker Mfg. Has Employee Benefits

The Board of Directors of Gilbert & Barker Manufacturing Co., Toronto, has adopted a retirement plan and a disability and death benefit plan for its employees, effective Jan. 1.

The plan was announced to the entire staff at a dinner last week. Available to all employees, it provides for pensions through joint contributions of the company and employees. The company provides, at its own expense, paid-up pensions for service before inauguration of the plan.

The disability and death benefit plan provides, without cost to employees, payments to those disabled through sickness, and also death benefits for their dependents.

The company, organized in 1929, manufactures service station equipment and domestic oil burners.

**STEEP ROCK IRON MINES** says that $125,000 has been received covering balance due under sale of 100,000 shares at $2.50 a share to Premium Iron Ores. Issued capital, 6,068,011 shares.

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# Hearst Corp. Buys Halifax Pulp Plant

MONTREAL (Staff)—The Hearst Corp. of New York City, parent company for William Randolph Hearst's publishing interests, has acquired an additional foothold in the Canadian pulp and paper scene. Announcement was recently made that this company had acquired the assets of Halifax Pulp & Power Co. of Sheet Harbor, N.S., for an undisclosed sum.

Involved in the sale was a groundwood pulp mill, estimated capacity 30,000 tons annually; 200 square miles of Halifax Pulp & Power timber limits, and the adjoining 40,000 acres formerly belonging to International Paper Co.

The Halifax Pulp & Paper Co. was formerly controlled by the Fox brothers and J. E. L. Duquet, Montreal. P. M. Fox is a Montrealer and is vice-president of Lake St. John Power & Paper Co., and a director of St. Lawrence Corp.

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*Beauharnois Generating Station—one of the power developments of Hydro-Quebec. Installed capacity is 650,000 HP*

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*Hydro-Quebec*
MONTREAL

# Leader in Pulp, Paper Production Province Sets 1947 Target Higher

MONTREAL (Staff)—After a year in which record levels of earning power were established, Quebec's pulp and paper industry has entered 1947 with confidence.

The industry plans to back this confidence by an expansion program which may mean an increase of 100,000 or more tons of newsprint production this year, over the 1946 figure of 2.5 million tons. Production of chemical and mechanical pulps, fine papers, book and writing papers, as well as paperboard, will also be stepped up.

With these expansion programs, the Province's position as the largest in Canada's largest manufacturing industry, will become even more pronounced. Quebec leads in the number of pulp and paper mills, number of employees, capital employed and gross value of pulp and paper products. Over 60% of Canadian newsprint capacity is in this province.

Recently R. M. Fowler, president Canadian Pulp and Paper Association, said that planned capacity increases in 1947 for the Canadian industry would add 200,000 tons of newsprint and an equal amount of chemical and mechanical pulps, paper and paperboard to the industry. Based on present production and capacity figures, at least half the added production should be in this province.

### Over 97% of Capacity

Quebec pulp and paper mills have reason to look back upon 1946 with pride. The industry operated at more than 97% of effective newsprint capacity. Woodpulp production was maintained at record levels, and the province's contribution to the 1946-47 pulpwood cut was greater than any other province's. Gross sales of Quebec-produced newsprint probably topped $175 millions. To date in the 1947 cutting year, pulpwood output is exceeding last year's record level and Quebec's share will be proportionately higher.

Biggest financial development in the industry during the year was the extent to which Quebec pulp and paper companies took advantage of good earnings and favorable capital market conditions, to strengthen their capital structures. Companies operating exclusively or partly in Quebec (Howard Smith) accomplished the following changes to capital structure:

a) Debt cut from $105 millions to $80 millions, a reduction of 24%;

b) Interest charges cut from $4.7 millions on an annual basis to $2.9 millions, reduction 39%.

On a company by company basis here is how these changes came about:

**Canadian International Paper Co.:** Public interest was extinguished early in 1946 when first mortgage debt was retired by a 1½% U.S. bank loan which by July 31, 1946, had been fully retired.

**Consolidated Paper Corp.:** Put its financial house in order by replacing a 5½% $40.8 million bond issue by a 3½% $35 million issue, saving more than $1.1 million in carrying charges yearly.

**MacLaren Power & Paper:** Effected a large savings on interest account when $19.5 millions of mortgage debt was cut from a 4% to a 3% carrying basis, interest savings about $100,000 yearly.

**Donnacona Paper Co.:** Entered 1946 with $510,000 of notes payable outstanding. By the spring, these notes had been paid off.

**Brompton Pulp & Paper Co.:** In July last, sold $4 millions of 3½% first mortgage bonds, using proceeds to retire $3.5 millions of term notes, sold to the company's bankers in 1945. This brought debt carrying charges up approximately $15,000.

**Price Bros.:** A refunding operation of $9.8 millions of 3¼% bonds was made in May and proceeds were used, in part, to retire $11.1 millions of 5% first mortgage bonds resulting in a savings of $234,438 in the first year.

In digest form, here is what happened to the debt structure and carrying charges of Quebec pulp and paper mills last year:

| Company: | Funded Debt<br>End 1945 | Funded Debt<br>End 1946 | Carrying Charges<br>1945 | Carrying Charges<br>Current |
|---|---|---|---|---|
| | $000 | | $000 | |
| C. I. P. | $15,000 | Nil | $ 225 | Nil |
| Consolidated | 42,220 | $35,000 | 2,272 | $1,225 |
| Brompton | 3,976 | 4,476 | 150 | 165 |
| Donnacona | 5,860 | 5,200 | 267 | 234 |
| Lake St. John | 7,000 | 6,000 (1) | 421 | 315 |
| Price Bros. | 11,400 | 9,835 | 554 | 320 |
| MacLaren P. & P. | 19,483 | 19,483 | 843 | 644 |
| Totals | $104,939 | $79,994 | $4,732 | $2,903 |

(1) January, 1947, operation.

Several companies entered the capital markets to effect changes in their preferred capital.

**Price Bros.:** Streamlined its perferred debt structure by issuing $5 millions of 4% cumulative preferred stock to retire formerly outstanding $5.6 millions of 5% preferred; saving, $80,685 yearly.

**Donnacona Paper Co.:** Issued $2.5 millions of 4½% preferred stock, to reimburse itself for capital expenditures already made and to purchase and develop 1,000 square miles of additional timber limits.

**Howard Smith Paper Mills Ltd.:** Issued $8 millions of $2 cumulative redeemable preferred shares, $50 par value, in March, 1946, to retire $7.2 millions of 6% preference shares in May; a saving of $110,218 on preferred dividend account.

There were other significant developments during the year to companies operating in the Quebec pulp and paper industry. Donohue Bros. entered the ranks of public companies when it offered 35,000 shares of its authorized capital of 150,000 shares to the public. Recently this company announced plans to increase its 50,000 ton annual newsprint capacity by 15,000 tons.

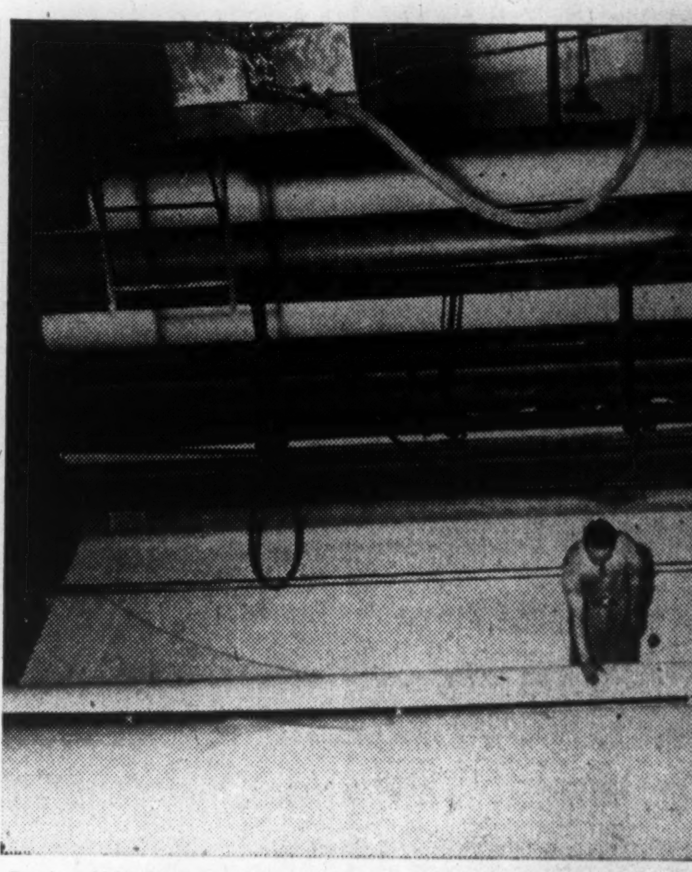
### Decision Near, on Quebec Co.

Strong efforts were made, without success, to bring the Quebec Pulp and Paper Co. at Chicoutimi out of bankruptcy and into operating ranks. Premier Duplessis is expected to decide soon just when, to whom and on what basis, the assets of this company will be sold.

There were also concerted efforts by U.S. publishing and other interests, to acquire control of Quebec pulp and paper companies. One effort, directed at Donnacona Paper Co., was unsuccessful when Premier Duplessis took a firm stand on this question. Drive for control of the St. Lawrence group of pulp and paper companies by New York-Toronto interests, may have been more successful, however. At the moment, however, there has been no official indication that control has changed hands.

The position which Quebec pulp and paper companies occupy in Canada's 4,379,000-ton newsprint industry is represented in the following table giving companies and approximate newsprint capacity of each, on an annual basis:

| Company | Approximate newsprint capacity (tons) |
|---|---|
| Abitibi | 100,000 (1) |
| C. I. P. | 700,000 |
| Consolidated | 640,000 |
| Anglo-Canadian | 200,000 |
| Donnacona | 95,000 |
| Donohue | 50,000 |
| Lake St. John | 120,000 |
| MacLaren | 115,000 |
| Quebec North Shore | 120,000 |
| Price Bros. | 420,000 |
| St. Lawrence Paper | 180,000 |
| **Totals** | 2,740,000 |



**During 1947 Quebec will consider many ways in which her pulp and paper industry may be placed on a broader, stronger foundation for future development. Here at the dry end of the paper machine the finished reel of paper is rolled, with the back tender in the foreground.**

## Woodpulp, Paper At New '46 Highs

MONTREAL (Staff)—Investors in Canada's pulp and paper industry learned last week just what the industry had accomplished in 1946 by way of production. They already knew newsprint production totalled 4,143,392 tons. Now they learned:

Wood pulp totalled approximately 6.5 million tons, a new high, up some 900,000 tons from 1945. Paper, other than newsprint, exceeded the 1,039,000 tons produced in 1945 by a comfortable margin, with new highs in all phases. Last year slightly more than one million tons were produced, paperboard contributing 595,131 tons to this figure.

Chemical pulp was up 13%, at 2,448,500 tons.

Mechanical pulp was up 20% at 4,010,000 tons; the first time the four million mark had been passed.

## Inspection-Bid System Speeds Sales by WAC

MONTREAL (Staff)—War Assets Corp. has announced a new method of handling its sales of surplus material. Called "inspection and bid," the merchandising scheme is designed to speed up disposal of stocks on hand by providing another outlet in addition to normal trade channels.

The inspection and bid sales will be made from warehouses across the country. Goods for sale are arranged in lots for convenient inspection, with each lot small enough for the small buyer to compete against the large buyer. Supplies of bid forms covering each lot are available to prospective customers who enter names, addresses and the amount offered.

After the inspection period, four days are allowed for bids to be received by WAC. After the bids are compiled, the highest bidder is notified that his offer is accepted, provided the price offered is equitable.

Special mobile units have been organized to handle the sales. Each unit includes an information section, whose members circulate within the warehouse to answer questions and to provide assistance to intending purchasers.

Sales of this type have recently been held at St. Catharines, Ont., Scarboro, Ont., and Cap-de-la-Madeleine, Que.

## Sinking Fund Surplus Shown By Halifax, N.S.

Sinking funds of the City of Halifax, N.S., are more than adequate to cover the bonded indebtedness subject to collateral sinking funds, according to the report of an actuarial calculation made by Nightingale Hayman & Co. chartered accountants.

The firm also reports:

1. There is an over-all surplus of $1,712,299 if investment is valued on a 3% yield (with certain exceptions).
2. Sinking funds have been provided to take care of the refunded term loans issued without sinking funds and refunded serial loans totalling $849,911.
3. By distributing the "free surplus" of $862,388 on a percentage basis, sinking fund requirements for the years 1947 to 1965 can be reduced 79%.
4. Actual saving in sinking fund requirements from civic estimates for the years 1947 to 1965 will be $1,062,889. This represents the "free surplus" plus accrued interest.
5. Sinking fund will be sufficient to retire all sinking fund bonds at maturity.
6. Bonds totalling $1,092,596 for which no sinking fund had previously been established had been provided for, will be retired in full at maturity.

The calculation in the report do not take into consideration the requirements for the redemption of serial debentures, permanent stock, special school debentures (460,000) and water debentures.

**TOWNSHIP OF YORK**, Ont., refunding issue of $8,881,000 2¼%, 2¾% and 3% debentures, due 1948 to 1973 has been sold to a syndicate headed by Dominion Securities Corp. at a price to the township of 99.277. The 2¼%'s are due 1948 to 1954, the 2¾%'s 1955 to 1964 and the 3%'s 1965 to 1973. Proceeds are for refunding all the outstanding high-coupon bonds except non-callable guaranteed 5% bonds.

**NORBENITE MALARTIC MINES** has received payment covering 62,500 shares at 40 cents. Issued capital—3,133,338 shares.

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Woodpulp and Sulphite Pulp Mills
Newsprint - Donnacona Board
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The mill is located on tide-water on the St. Lawrence River at the mouth of the Jacques Cartier River affording excellent water transportation.

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The Company also owns valuable water powers, developed and undeveloped, situated within a few miles of Donnacona.

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# Quebec, Where Old, New Worlds Meet Magnet to Tourists from Near, Far

In counting up Quebec's important industries, one is sometimes omitted—the tourist industry. Not a great deal of space is devoted to it in the province's brand-new statistical year book, and DBS statistics are a little weak when it comes to figuring up just how much tourists mean to Quebec every year. Probably the best way to get some real hard dollars and cents figures, is to ask Pierre who runs a tourist home in Ste. Agathe, or Marie who has a little dress shop in Quebec City or Jean, the Gaspe farmer, how much the tourist trade meant to them in 1946.

In other words, Quebec, like every other province, has few accurate figures on its tourist trade. About the closest thing is an informed guess and Maurice Hebert, Quebec's director of tourism, thinks probably $10 millions would represent a conservative guesstimate. He arrives at this figure by allowing an estimated one million tourists a $10 expenditure per person. Chances are that tourists brought in a good deal more than this, probably closer to $20 millions, since the only accurate figures available (ports of entry statistics) indicate that 800,000 persons entered Quebec during the year. This does not include tourists from other provinces arriving by train.

### Strategically Located

Whatever was realized from the 1946 trade, Quebec plans to boost the figure still higher. She is strategically situated to tap one of the richest tourist markets in United States. Along the international boundary, Quebec touches Maine, New Hampshire, Vermont and New York. Pennsylvania, Connecticut, New Jersey and Massachusetts are not far removed. Besides this there are the neighboring provinces of Ontario and the Maritimes.

Tourists to Quebec are split about equally, half coming from other Canadian points, and half from the United States. Of the latter, roughly 75% come from the states mentioned above. But the province can also count on thousands of visitors from overseas; delegates to various aviation gatherings, United Kingdom businessmen, foreign travellers of all kinds. Montreal stores reported some PICAO delegates making individual purchases of more than $1,000.

With a vast potential tourist market still virtually untapped Quebec has outlined a sound program to attract still more visitors. First on the list is road improvement. During the war Quebec's roads took a double beating from (a) heavy traffic (b) shortage of road building materials. The province is now launching a two-year road plan which will include resurfacing of paved roads, surfacing gravel roads and straightening much of the tortuous Gaspe Highway. All main roads will be as dust-free as possible.

### Teach Hostelry

Also high on the province's schedule for tourism is continued instruction in the fine art of hostelry. For 10 or 12 years Quebec has operated a hostelry school, moving from region to region each year giving courses in cooking, hotel operation, maintenance and administration.

Handicrafts are also integrated into the program. This feature of the work is under the Department of Agriculture, but is more and more becoming a part of the tourist industry. Teachers from all parts of the province attend the School of Handicrafts at Quebec City for six weeks. They then return to their home towns and villages, to teach their pupils weaving, pottery, ceramics. While the primary aim of handicraft courses is to develop skilled hands, the products of such work provide an added attraction both for the tourist and his dollar.

Quebec has two important attractions, largely lacking in other provinces. One is the French language. Every year more than 1,000 students from other provinces and United States come to the province to learn or to acquire facility in the French language. Besides courses at the universities, informal conversational courses are provided at some of the best resort areas.

### Rich In History

The second attraction is French Canadian history. The province abounds in monuments, old historic sites, and hundreds of other reminders of the French and Canadian tradition. To emphasize the historic aspect of the province still further, Laval University, at Quebec City, has devoted part of its time and resources to research. At the university's Archives of Folklore, researchers have uncovered authentic costumes of the original French-Canadians, who came from Normandy, Anjou, and other French provinces. Tourist authorities encourage present-day French-Canadians to don these costumes again on festival days and holidays.

Tourist-minded men in the province say that architecture also has a part to play in attracting the tourist. A typical French-Canadian architecture, they say, will give the province a distinctive note. This trend is already noticeable in many areas and the unique French-Canadian overhanging roof is not likely to be missed by many. Food also comes in for attention by Quebec's tourist trade promoters. Object here is to provide good meals, well-cooked; and, where possible, something which only Quebeckers can serve.

Those in charge of Quebec's tourist program say they do not believe in adopting a parochial attitude toward the tourist business. For example, tourists entering Canada through Quebec are supplied with information on other provinces as well. Quebec tourist men believe that Canada's tourism should be a two-way proposition throughout, and that wherever tourists enter they should be able to get information on all points of interest throughout the Dominion. At present the Quebec Government employs tourist "salesmen" at the Niagara Falls border and in New York city.

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**EAST KOOTENAY POWER CO.** showed fractionally lower gross and net earnings for December from a year before. At $63,594, gross earnings were down $1,639, but net earnings only dropped $322 from $29,728 as operating expenses were pared $1,317, from $35,505 to $34,418. On a nine-months basis ended Dec. 31, gross earnings increased from $570,932 to $573,409; operating expenses were cut from $247,461 to $245,014, net earnings increased from $323,471 to $328,395.

Because it is "different," Quebec holds a unique charm for thousands of visitors every year from all parts of Canada and the United States. Among the first vivid impressions of the visitor to Quebec City is the contrast of the grandeur of the turreted Chateau Frontenac in the background and the old world "caleche" ready to take its occupants on a drive through the winding, cobbled streets.

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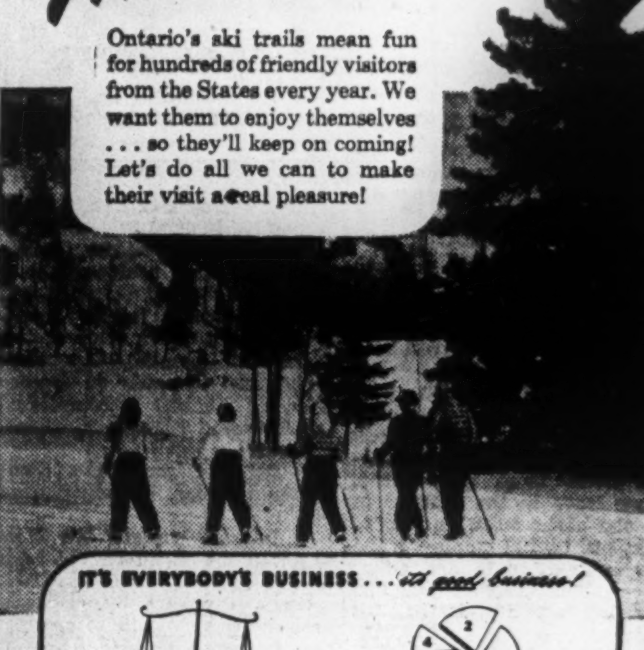
**CENTREMAQUE GOLD MINES** advises that hole 36-A was completed to 1,204 ft. and holes 37-A and 38-A advanced 1,100 and 950 ft., respectively, in January. The three holes were designed to test at depth a chloritized rhyolite band in the footwall of a wide feldspar porphyry dike, considered to be extension of East Sullivan ore structure. Hole 36-A reached its objective, where low gold and copper values were found. Holes 37-A and 38-A are drilling in the feldspar porphyry and, when completed, will have explored the same band for a distance of 700 ft.



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**HOWARD SMITH PAPER MILLS LTD.** announces a new contributory pension plan to ensure an annuity based on 1½% of an employee's earnings for each year of service, with a guaranteed minimum of 60 monthly payments. The plan provides for a pension for past service for each employee with more than five years' continuous service at effective date (Dec. 31, 1946), who joins the plan within six months, full cost as to past service borne by the company. The plan applies also to Alliance Paper Mills Ltd., a subsidiary. Application has been made for contracts with the Dominion Government Annuities Branch with respect to the basic plan, and with the Sun Life Assurance Co. of Canada, with respect to the supplementary plan.

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**TOWN OF MEAFORD**, Ont., new issue of $296,000 2½% and 3% 20-year serial debentures were sold to J. L. Graham & Co. Price received by the town was 101.785 per $100 par value, representing a cost basis of 2.73%; substantially the lowest cost of financing Meaford has ever accomplished for an issue of comparable term, it is stated. Proceeds are to finance construction of a new public school.

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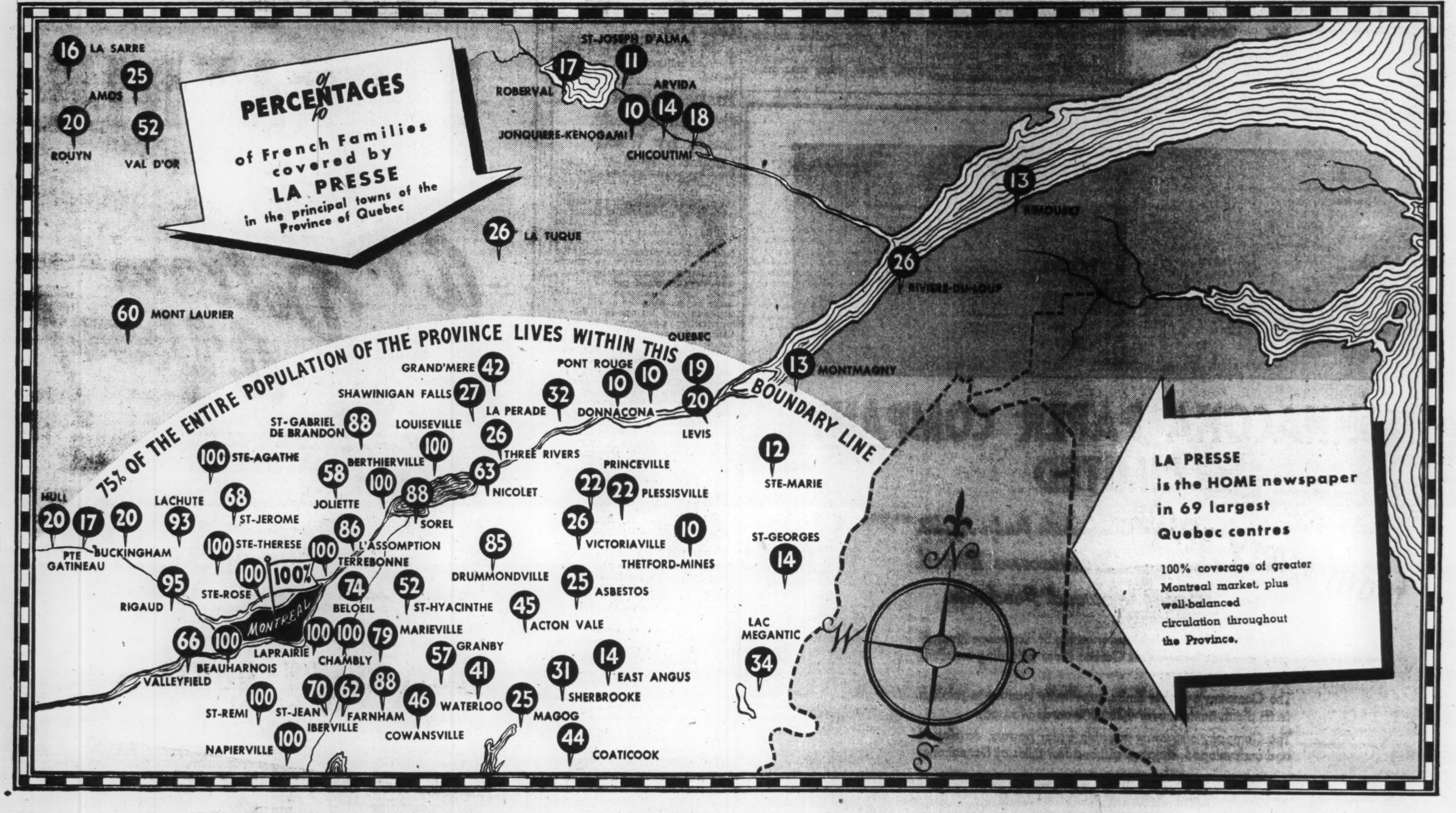
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10 JONQUIERE-KENOGAMI
14 ARVIDA
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13 RIMOUSKI
26 RIVIERE-DU-LOUP
26 LA TUQUE
60 MONT LAURIER
13 MONTMAGNY
42 GRAND'MERE
27 SHAWINIGAN FALLS
10 PONT ROUGE
10
19 QUEBEC
32 LA PERADE
DONNACONA
20 LEVIS
88 ST-GABRIEL DE BRANDON
100 LOUISEVILLE
26 THREE RIVERS
100 STE-AGATHE
58 JOLIETTE
100 BERTHIERVILLE
88 SOREL
63 NICOLET
22 PRINCEVILLE
22 PLESSISVILLE
12 STE-MARIE
20 HULL
17 PTE GATINEAU
20 BUCKINGHAM
93 LACHUTE
68 ST-JEROME
86 L'ASSOMPTION
100 STE-THERESE
100 TERREBONNE
100 STE-ROSE
100%
MONTREAL
95 RIGAUD
74 BELOEIL
52 ST-HYACINTHE
85 DRUMMONDVILLE
26 VICTORIAVILLE
10 THETFORD-MINES
25 ASBESTOS
45 ACTON VALE
14 ST-GEORGES
66 VALLEYFIELD
100 BEAUHARNOIS
100 LAPRAIRIE
100 CHAMBLY
79 MARIEVILLE
57 GRANBY
41 WATERLOO
31 SHERBROOKE
14 EAST ANGUS
34 LAC MEGANTIC
100 ST-REMI
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# Hub of Dominion's Textile Industry Quebec Calls for Adequate Tariffs

Textiles and tariffs—those two words largely sum up one of the biggest question marks in Quebec's industrial future. Textiles are one of the province's leading industries; and whatever tariff decisions are arrived at in 1947, are bound to have far-reaching effects on this industry. This is particularly true with respect to the cotton division of the textile industry—and roughly 75% of Canada's cotton goods production originates in Quebec.

The position of Quebec's cotton industry with respect to tariffs may be stated in one word—protection. With a huge cotton producer to the south of them, and the United Kingdom exporting every conceivable commodity for its very life, Quebec manufacturers are wondering how long it will be before the big squeeze comes.

For the last six years, Quebec cotton producers have been riding the crest of the war boom. During this period, the big threat was scarcity, rather than surplus. It was during the 1940-44 period also that Quebec cotton producers rose to the production heights. In 1941, gross value of cotton yarn and cloth in the province totalled $93 millions; 1942 was still higher at $108 millions; 1943 dropped slightly to $96 millions. This was about three times as much as produced in the rest of Canada.

### "Normalcy" Nearing

Production of cotton yarn and cloth has tapered off since those peak years, and textile men generally agree that 1946 was the beginning of a period of "normalcy" for the industry. Retail stores for the first time in about six years put on post-Christmas sales of women's and children's dresses. Manufacturers of these items say that wholesale pipe lines are filling up rapidly, if not entirely filled. A recent survey by Fortune Magazine in the United States indicated that 32% of management in the soft goods lines expected gross sales to drop in 1947 and 26% expected physical volume to decrease.

With the signposts pointing to stiffer competitive days, Quebec cotton producers are naturally wondering how far foreign merchandise will be permitted to cut into the domestic market. Cotton yarn and cloth manufacturers in the province believe the contest between Canada and the United States or the United Kingdom, unequal. They say lower wage scales in the United Kingdom industry give that country an advantage. In United States, mass output has virtually the same effect, in lowering production costs.

Thus Quebec's cotton manufacturers, with comparatively small output, are caught between the two giants. This is the principal reason why they believe they require tariff protection. Through the Cotton Institute of Canada, in Montreal, the industry has urged the Federal Government to reimpose the British preferential tariff on certain textile items. This tariff, suspended during the war years, will go back on as of July 1, 1947; and textile men believe this will give Canadian representatives at the Geneva trade conference in April a basis for bargaining.

With an eye to making Montreal one of the world's fashion centres, the Quebec textile industry is looking ahead to expanded production during 1947. Here an employee in the Magog print works of Dominion Textiles engraves a plate for use in the production of a textile pattern.

### Entering Free Market

Tariff protection for Quebec's cotton industry is important for another reason. Although wartime production of cotton goods rose to an all-time high, basic cotton goods manufacturers didn't make a financial killing. Under the price control system, profits were held to 116 2/3% of standard profits. This was part of the complicated subsidy program, under which the Federal Government subsidized raw cotton purchases to enable manufacturers to sell at ceiling price.

Today, however, price control is gradually coming off, and cotton manufacturers, along with others, are entering the free market. This year may see the end of cotton subsidy, which means that manufacturers again will buy and sell in a free competitive market. This, in turn, would mark the end of the "ceiling" on manufacturers' profits. If, as pointed out, the textile pipelines are filled up, some cotton manufacturers believe they may be entering the free competitive market too late to profit by the peak consumer demand for this type of goods.

Should this be the case when price control ends, the Quebec industry believes that the need for substantial tariff protection would be apparent. A drop in consumer demand, plus a flood of foreign merchandise, could go a long way toward knocking one of the province's chief industries into a cocked hat, it is stated.

### Industry Diversified

Not all Quebec's textile eggs are in one basket, however. Besides manufacturers of cotton yarn and cloth, about 68% of Canada's production of women's factory clothing comes from Quebec, and more than 55% of men's factory clothing. More than half the nation's output of silk and artificial silk comes from this province. All told, Quebec accounts for a little more than 54% of the value of Canadian textile products of all kinds, based on 1943 figures.

Such diversification speaks well for the future of the textile industry in the province, it is thought. In the contest of cotton versus rayon and other synthetic materials, Quebec manufacturers are incorporating the newer materials in their products. Also, some of the big cotton yarn and cloth manufacturers are dividing their production facilities between rayon and cotton. One of Canada's two rayon manufacturers operates its plants in the province, and is expanding its production facilities.

### Nation's Fashion Centre

It is perhaps natural that a province which has become the country's leader in the manufacture of cotton, rayon, silk and similar fabrics, should also take over fashion leadership as well. Over the past three or four years Montreal, headquarters for much of the province's textile industry, has made a strong bid as one of the continent's fashion centres. While none of the city's designers have yet been classed with Adrian or Schiaparelli, they have made a start toward developing original designs—and selling them. In Canada, where the market for exclusive gowns, hats, etc., is limited, Montreal designers have put their original creations on the production line, thus giving Canadian women an "original" at moderate price.

An over-all picture of the textile industry in Quebec looks bright. It is true that the cotton division, and many of the finished product lines, appear to require some type of tariff protection. But it is also a fact that Quebec manufacturers are up with the van, in so far as new materials and new products are concerned. In addition, since the industry has been located in the province for years, most manufacturers can draw on an experienced labor force. There was some curtailment of production in 1946, due to the training of new employees. But this was more or less expected, at a time when industry was switching from war to peacetime production.

To help stabilize the laboring force still more, some companies have inaugurated a program of employee housing, to provide either low rental houses or low-cost dwellings for those who wish to buy. In some cases, interest or carrying charge for these houses is borne by the company.

These are only a few of the indications that Quebec's textile industry is taking a long-range view of the future. Some indications of what that future holds are likely to become evident in 1947.

# WAC Sales $314 Millions

MONTREAL (Staff) — Receipts of just under $180 millions for nine months of the fiscal year 1946-47 have been realized from the sale of war surpluses by War Assets Corp. Aggregate sales from the beginning of operations have grossed more than $314,350,000.

Of the nine-month total, sales in Canada exceeded $125 millions or about 70%. Foreign governments, relief agencies, and other foreign purchasers purchased about $52 millions or 29%; the balance of more than $2 millions was sold in Newfoundland.

Commodity groups involving the largest sales are:

| | |
|---|---|
| Ships & components | $ 59,779,898 |
| Automotive vehicles & equipment | 30,155,476 |
| Consumer goods | 26,250,683 |
| Lands & buildings | 25,022,535 |
| Mechanical equipment | 15,307,143 |
| Machine tools | 10,523,586 |
| Metals | 4,523,032 |
| Aircraft & components | 3,362,564 |
| Scrap | 2,373,777 |
| Miscellaneous | 1,806,872 |
| Radio & radar sets and parts | 861,285 |
| Total | $179,966,851 |

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Today, more than ever before, this great French-Canadian Province is also attracting a wide variety of industries! Leading industrialists consider Quebec to be one of the finest places in the world to locate new industry, and these forward-looking men are planning carefully for the future!

FACTS TO THINK ABOUT

**3,331,882** people in Quebec comprise over one-quarter the total population of Canada. This includes 92.41% of the French-speaking people of the Dominion.

**78,000** square miles of fresh water area, approximately one-third of Canada's total, provide an abundant source of power supply.

**5,848,022** horse power was developed in Quebec as of December 1st, 1944. This represented considerably over half of Canada's electric power output. Much of it is close to the Province's centres of concentrated population and industry, and ample transmission facilities are available over widely spreading networks.

**Quebec** boasts the largest inland ocean port in the world. It is on a water transport system that reaches half-way 'cross the Continent. Rail and air transport services are also conveniently located.

**The gross value** of products produced in Quebec in 1942 amounted to $2,333,303,012.

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# Tobacco Industry Grows Boon to Quebec Farmers

## 1946 Sugar Beet Crop 80% Over Previous Year – Province Seeks to Expand Colonization and Studies Plans to Reclaim Waste Land

Agriculture ranks next to manufacturing in importance in Quebec, accounting for 11% of the net provincial production. Since 1942, gross value of agricultural products has been running well over $300 millions. In value of field crops, Quebec normally ranks about fourth among the provinces, exceeded by Saskatchewan, Ontario and Alberta.

Value of field crops in 1946 totalled $132,450,000 which represented a decrease from the 1945 total of $158,190,000. This was to some extent due to weather conditions which delayed spring sowing followed by drought conditions up until August. Oats, corn, hay, clover and alfalfa crops were all lower than in 1945 but wheat crop was slightly higher.

One of the highlights of the agricultural year was the big increase in both yield and acreage of sugar beets. Output of this item was 18,000 tons or a gain of 80% over 1945. Potatoes also made a good showing with the yield running about 87 cwt. per acre compared with 58 cwt. the previous year. After practically a total failure of the apple crop in 1945, the apple crop came back with an estimated yield in 1945 of 1,100,000 bushels which is about 46% greater than the ten-year average. Maple syrup production was also up with 1,882,000 gallons in 1946 (1,383,000).

It is likely, however, that provincial authorities will get the greatest pleasure from reading figures on last year's tobacco crop. Compared to the total Canadian tobacco production, the Quebec crop of 7,145,000 lb. represents a little more than 5%. Dollar value of this crop is approximately $1½ millions. But whatever the value, it would still be more than any crops produced in the same area ten years ago.

Quebec's tobacco growing district around Joliette is the pet project of the Hon. Antonio Barrette, Quebec Minister of Labor. Energetic and enthusiastic Mr. Barrette believed something could be done about the acres of sand around Joliette and thus became one of the prime movers in the tobacco growing project. This nonproductive area which comprised about 50 thousand acres was selling for as low as 50 to 75 cents an acre. Experimental work in tobacco growing was started on experimental farms and carried on under the Godbout Government. At the end of three years, approximately 7,000 acres had been cleared and 25,000 acres well under way toward rehabilitation.

By this reclamation program, the Government says it has created an $8 millions asset at a cost of $125,000 in government grants to farmers and co-operatives. In addition it has given farmers greater income, provided more jobs. It is stated that approximately 3,000 persons are required to harvest the tobacco crop. Also one of Canada's largest tobacco manufacturers is erecting a new plant at Joliette, which will provide still more employment.

The government has ruled that tobacco growers cannot increase their acreage more than 10% a year. Object of this is to assure that high quality crops are maintained and individuals will not have too great a debt burden to carry. It is stated that the entire debt on the reclaimed area is now only $30,000 and that tobacco growers have not required government assistance since 1939.

### Keep Young People on Farms

The present Quebec government believes such projects should do much to check the trek of young people from farm to city. Actually the Department of Agriculture would like to discover more crops such as tobacco which would broaden the base of Quebec's agricultural production. Crops such as tobacco which command a high market price tend to encourage younger men to stay on the farms, it is believed.

The province's colonization program is also largely aimed to encourage new farm settlers. To many of today's younger generation, however, colonization is likely to sound like a tough job. Here is what the Dept. of Colonization says in the Quebec Year Book: "In order to improve an acre of land, the holder of a colonization lot, next to felling all construction merchantable timber and fuel wood, must begin clearing his land. The waste done away with, he seeds between stumps and ploughs when his land is adapted to permanent and profitable cultivation. He does all this for the purpose of settling down definitely."

If this should sound like too rugged a life the Department follows up with this observation: "Quite a hard task indeed! But, a very commendable one whereby it contributes both in value and in area to extend the agricultural domain of the province."

Some progress in colonization has been recorded, however. In 1944-45 the Commission for the Return to the Land studied 940 applications for colonization permits. It accepted 533 of these and settled 1,744 persons at a cost of $90,419.

All told, the province spent $4,206,639 on its colonization program in 1944-45. This included $737,721 for roads and bridges; $588,332 for land-clearing, ploughing and seeding premiums; $396,947 for settlers under the Federal-Provincial agreement; $350,223 as incentive to agriculture in colonization centres.

The provincial government also sponsors other aids to farmers such as the Farm Credit Bureau. This government organization grants long-term loans to farmers at low interest rates and can draw on a fund of $55 millions. The Department of Agriculture itself has various sections, each equipped to handle a specialized phase. These departments include propaganda service; field crops service; animal husbandry service; agricultural economics service; information and research service; horticultural service. Another important body is the Drainage Bureau, charged with establishing a system for regulating drainage works. It is estimated two thirds of the area now occupied in Quebec could be reclaimed by a drainage program.

# *More Canadian Photographers To Make Color Prints in 1947*

Long only a dream for advanced amateur photographers, natural color prints will become a reality in more Canadian darkrooms this year, film manufacturers advise The Financial Post.

Production in the U. S. of the now color film, Ektachrome, first made available in Canada in December, is now almost equal to the demand, Canadian Kodak Co. Ltd. officials state. Color fidelity and the speed with which prints may be made have gained the film wide use in the advertising field.

Ansco of Canada Ltd. officials hope that the "Printon" kit from which color prints are made from Ansco film, will be available "very soon" in Canada.

Experts of both companies emphasize that the production of natural color prints is not yet a matter for "any" amateur photographer. An advanced knowledge of photography, technical skill and adequate equipment are required; but widespread interest in the process indicates that many amateurs are willing to try it.

Kodak's original color film, Kodachrome, is processed in Rochester for natural color prints, with some delay in shipping and handling time.

Ektachrome is available in both daylight and Type B (indoor) cut film. In development, the use of six tanks of ½ gallon capacity or more, is recommended in producing the positive color transparency.

From the transparency, contact prints are produced by the dye transfer process. Three separate matrices are made, each incorporating one of the basic colors of red, green and blue. The matrices are then placed on the final printing paper and rolled down under pressure before development with the proper dye.

Use of a densitometer to produce "balanced" negatives of the three primary colors, and accurate register in superimposing the matrices, are essentials to satisfactory prints.

With the Ansco "Printon" kit, the transparency is placed in an enlarger. Three exposures are made through different filters to the print paper before development.

Supplies of Ansco color film, imported from the U. S., are up "appreciably." To provide a Canadian service for prints, two processing stations were opened in Ontario and one in British Columbia early this year. Later, a station may be added in Quebec.

England's Dufaycolor has not yet returned to the Canadian market, but W. E. Booth Ltd., Canadian agents, state the manufacturers hope to supply some film in 1947.

# Kitchen Installations Buys Aga Heat (Can.)

Recent purchase of the business of Aga Heat (Canada) Ltd., Toronto, Ont., by Kitchen Installations Ltd. and of the real estate by Roder Properties Ltd. is announced.

A continuation and expansion of all past services and manufactured products including the Style-Cast aluminum utensils for both commercial and domestic use, metal spinnings and kitchen equipment is planned.

Kitchen Installations Ltd. has also entered into an agreement to act as sole Canadian agents for Aga Heat Ltd., manufacturers in Great Britain of the Aga Cooker and from where the Canadian firm was purchased.

Management will be: Robert Hartog, president; T. G. Drew-Brook, vice-president; and R. J. Fair, gen.-man. and sec-treas. Both Mr. Drew-Brook and Mr. Fair were directors of Aga Heat (Canada) Ltd., while Mr. Hartog takes the place of the previous English interests.

H. C. Blair will continue as supervisor of sales for Quebec and manager of the Montreal branch, and H. Gordon as supervisor of sales for Ontario, with headquarters in

# Alcan's Output 50% Capacity

MONTREAL (Staff)—Aluminum exports in the form of bars, blocks, blooms and ingots by Alcan's 400,000-ton peacetime ingot producing plant at Arvida were equal to 13,060 tons in December.

For the year as a whole the company exported 187,322 short tons of ingot, valued at $49.1 millions, of which 13,000 tons were represented by December customs clearances. The United Kingdom accounted for 47% of Alcan's exports; the U. S. market took 22%, with Czechoslovakia, Switzerland, India and France ranking in that order as next best customers.

These figures would indicate that 1946 operations were equal to 50% of the company's present capacity, or 40% of its peak wartime rate. Because export shipments, however, in point of timing, cannot accurately be related to current production, it is not possible to interpret these figures to indicate actual production rates of Alcan until the company reports. Exports last year were:

| Country | 1946 exports (short tons) |
|---|---|
| United Kingdom | 87,879 |
| United States | 41,402 |
| Czechoslovakia | 12,745 |
| Switzerland | 8,008 |
| India | 7,311 |
| France | 6,104 |
| Miscellaneous | 23,873 |
| Total | 187,322 |

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# New Marketing Methods May Aid Quebec Keep War-Expanded Maritime Fishing Industry

Along with most other Canadians Quebec fishermen experienced many important changes during 1946. Probably the most noticeable was the fact that fishing last year had again become a highly competitive business, for the first time since the war began.

In 1944-45 there was no heavy competition in the United States market; Iceland was selling frozen cod fillets to the United Kingdom; Norway was not in production and both Canada and Newfoundland had heavy shipments to the British Ministry of Food. Last year, however, on the United States market Canada was again competing with Newfoundland, Iceland and Norway.

Owing to the shortage and high meat prices prevailing in the U. S. for the greater part of the year fish prices were fairly well maintained. The greatest competition in the North American fish market is in the sale of frozen fish fillets, chiefly cod. Before the war Quebec's biggest fish sales were salt fish and experts in the province say it looks as if it would have to return to this type because of competition in the frozen variety.

Against the increased competition of fresh and frozen fish, Quebec's maritime industry is banking on the quality and quantity of the famed Gaspé salted cod. A fisherman lifts a prize catch out of the boat on his return after a successful day.

While fishing is by no means Quebec's most important industry, the value of its maritime fishery products is now running about $5 millions annually. The Maritime fisheries employ directly and indirectly nearly 10,000 persons, including about 1,800 in the fish processing end of the industry. Over $2 millions is invested in the industry including lands, buildings, equipment and machinery.

### Must Hustle To Get Markets

As a protection for this investment and those dependent on the fishing industry, Quebec's fishermen and government authorities are adjusting their sights from a wartime to postwar range. One of the first facts to show up clearly is that Quebec will have to start hustling if she wants to compete in world markets. One example of this is neighboring Newfoundland which, provincial spokesmen say, has already stolen a march on Quebec fishermen. According to a Canada-United States treaty a certain quantity of Canadian fillets were permitted to enter United States at a special duty of 1⅞ cents. Newfoundland was also permitted to share in this special rate but any fish Newfoundland sold under this condition would come out of the total Canadian quota. Quebec fish men now say that Newfoundland has reached the U. S. market first with its fillets, thus cutting into Canada's low tariff quota. Regular tariff on cod fillets is 2¼ cents.

This is particularly important to Quebec fishermen since more than half of the province's total value of fish products comes from cod. In 1944 out of fish with a total value of $5 millions the value of cod was $2.8 millions. Up until last year Quebec and other Canadian fishermen did not have to worry about a market or price for their fish. Beginning in 1943 the Canadian production of salted ground fish such as cod, haddock, hake, etc., was under export control. This country's fish production was allocated during this time by the Combined Food Board and later the International Emergency Food Council. Also export prices, with the exception of the 1946 production, were fixed by either of these bodies.

### Some Prices Controlled

In 1946 prices for fish going to the British Caribbean area were controlled through government subsidies; fish going to Porto Rico and continental United States were controlled by OPA. Prices in 1946 generally were much the same as in 1945. All other markets in 1946 were under allocation but there were no fixed prices. The products of pickled barrel fish such as mackerel and herring were also under allocation and these varieties were controlled by the Canadian Food Requirement Committee. No prices were set by this organization but for fish going to the West Indies market prices were agreed on by the trade (Quebec and New Brunswick Fish Exporters Association, Quebec United Fisheries). Last year Quebec fisheries sold a large quantity of frozen cod fillets to the French Government but this order is not likely to be repeated.

What the future holds for the Quebec cod fisheries is difficult to state, according to provincial authorities. It is obvious, they add, that the province will have to transform its production to produce less fresh and frozen cod and return to the salted variety. They believe, however, that the domestic market in normal times will still remain the best outlet for Quebec's fresh and frozen cod with small amounts probably going to United States. Experts say that other varieties such as salmon, smelt, halibut and mackerel will always find a ready market in Canada and United States.

As far as the salt cod fisheries are concerned, Quebeckers are confident that they will still hold a high position in foreign markets. Foreign preference for Quebec salt cod is borne out by the fact that foreign buyers are always ready to pay a premium for the famous Gaspe cure cod. This fish is produced on the Quebec portion of the north shore of the Gulf of St. Lawrence. Its distinctive and highly saleable flavor is not a secret process of Quebec fishermen but is the result of the climate and weather in that section of the province. Most of the heavy salted cod is sold to the Caribbean area and South America.

### Seek Better Marketing

Prior to 1939, periods of depression hit the fishing industry hard; probably harder than most other basic industries. Quebec

(Continued on page 38)

IN MONTREAL

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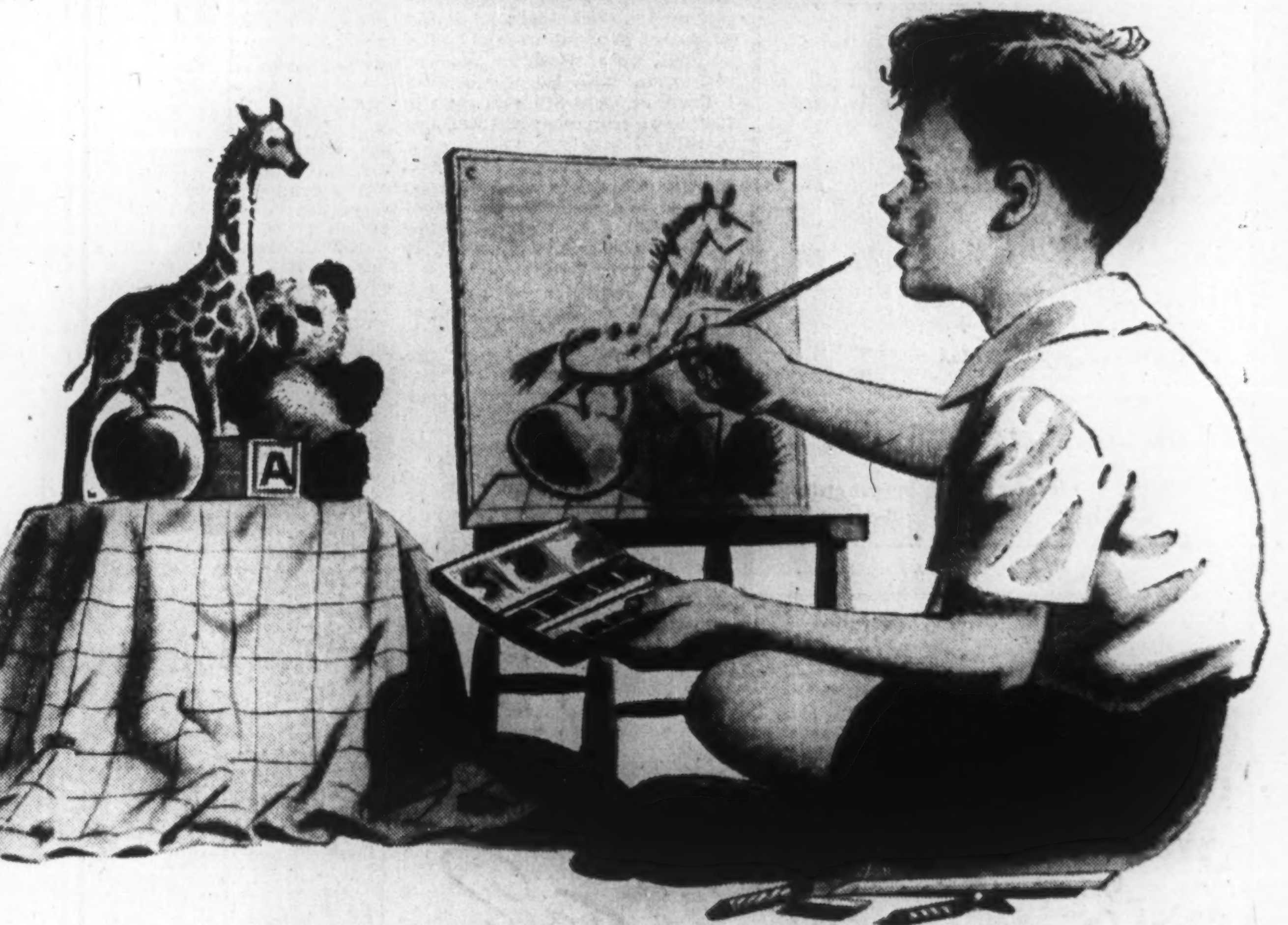

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(One feature of Crane service to you is presented on page 27 of this issue.) 1-7020

# Province's Postwar Finances Sound Ottawa Tax Offer Is Question Mark

MONTREAL (Staff)—Big question mark overhanging the finances of Quebec, and the individual Quebec taxpayer, is: Will Premier Maurice Duplessis decide to accept or reject the latest Dominion offer of some $63 millions annually to the province in the form of a Dominion subsidy, in lieu of five-year taxing rights in the fields of corporation tax, income tax and succession duties?

Possibilities are that this question will be resolved, one way or the other, by March 31, deadline date on the five-year agreement with Ottawa under which the province is now operating.

Acceptance of the $63 million offer, the equivalent of $17.29 per head for the province, would mean, observers say, that the provincial taxpayer would be removed from the threat of double taxation; that the provincial purse would, initially at least, be stouter than otherwise.

### Series of Surpluses

Once this fiscal problem is straightened out, there is every reason to believe that the province will continue to plot the encouraging pattern of financial progress followed throughout and since the war. In every year for the last six, the province has been showing surpluses on current account. At the same time, net funded debt has been reduced from $349.3 millions at April, 1941, to $329.8 millions five years later.

On a per capita basis, the province has cut its debt substantially in recent years. Net funded and floating debt per capita at the end of March 31, 1945, totalled $108.80, said lowest in the Dominion.

This marked improvement in financial position has been due to substantial surpluses built up on current account. Provincial revenues on ordinary account for the year ended March 31, 1946, under the budget forecast would be $100.5 millions; over twice the total for the year ended March 31, 1937. In the same period, disbursements increased, but not in the same ratio. The budget forecast for the 1946 fiscal year shows ordinary expenditures at $92.4 millions, up only $32 millions or 50% from 1937. Surpluses since 1940 range from $19.8 millions in 1942 to an estimated $8.1 millions in 1946.

**Capital expenditures have been sharply cut back in the 1946 fiscal year to $7.4 millions. This compares with a 1939 high of $46.7 millions, and is the lowest in 10 years or more.**

Behind this substantial improvement in financial position has been unexcelled activity in the province's economic life. Throughout the war period, with large government contracts located in the province there was reason to expect buoyant business conditions and bulging budgets; but the improvement has carried on into 1947.

Just how well the province has fared, financially speaking, in the year just concluded was recently spotlighted by Dominion Bureau of Statistics on the volume of Canadian retail trade.

These statistics showed that retail sales in Quebec last year showed a higher percentage increase over 1945 than in any other province. While over-all sales, including mail order business, were 19% (or $100 millions) higher than in 1945, Quebec led all the provinces with a 21% increase. The volume of consumer spending last year reflected the healthy condition. In pulp, paper and forestry, which contributes more in gross value of production to the province than any other industry, 1946 was a record-breaking year.

What of the future? Actually, a large factor affecting this is the volume of business done in 1947 and the basis on which the present fiscal problem with Ottawa is resolved. One thing is certain; the year will bring about a large increase in the debt position of the province.

Net funded debt may soon be increased by some $70 millions, representing school corporation debt which the province may assume. Also, since last year the province has a liability amounting to $51 millions, representing Quebec Hydro bond financing, guaranteed as to principle and interest by the province.

**An analysis of the ordinary revenue account of the province shows certain significant developments in the last five years. In terms of total revenue the contribution of Quebec Liquor Commission has increased from 6% of total revenues in 1942 to an estimated 12% in 1946. No other single item has recorded such a large percentage increase.**

**Biggest increases since 1942 have been in roads ($3.2 millions) and in the department of provincial secretary and education ($4.8 millions). Interest on public debt has been cut from $12.3 millions in 1942 to $11.9 millions in 1946.**

**In digest form, here is what has developed since 1942 in debt structure and in revenue and expenditure account:**

(Thousands of Dollars)

| | March 31st | | | | |
|---|---|---|---|---|---|
| | 1942 | 1943 | 1944 | 1945 | 1946 |
| Funded Debt: | | | | | |
| Debenture loans | 371,601 | 378,856 | 369,566 | 389,566 | 395,596 |
| Less: Sinking funds | 38,676 | 46,396 | 52,804 | 72,451 | 65,834 |
| Net funded debt | 332,925 | 332,460 | 316,762 | 317,115 | 329,762 |
| Total ordinary revenue | 91,999 | 92,770 | 93,037 | 93,456 | 100,523 |
| Total ordinary expenditures | 72,154 | 80,068 | 82,560 | 91,990 | 92,440 |
| Surplus | 19,845 | 12,702 | 10,477 | 4,466 | 9,083 |
| Total capital expenditures | 17,557 | 11,831 | 9,192 | 12,443 | 7,414 |
| Over-all surplus | 1,288 | 871 | 1,285 | 7,977 | 669 |

## COMPANY REPORTS

**SHAWINIGAN WATER & POWER CO.** 1946 net profit was up 38.4%, a sizeable reduction in income tax provisions being partly responsible. Revenue from power sales was up $362,832 at $21,168,786. Other revenue, including income from investments in subsidiary and other companies and rentals was up $397,185 at $1,577,429. Total operating expenses were up $671,768 at $11,596,430. Working capital, $8,998,024, was up $6,320.15.

INCOME ACCOUNT

| Years Ended Dec. 31: | 1946 | 1945 |
|---|---|---|
| Net earnings | $11,149,786 | $11,061,537 |
| Less: Deprec. | 3,150,000 | 3,000,000 |
| Int. charges | 2,958,660 | 3,163,562 |
| Inc. taxes‡ | 1,849,000 | 2,592,000 |
| Net profit | 3,192,126 | 2,305,975 |
| Less: Dividends | 2,287,163 | 2,003,990 |
| Surplus for year | 904,963 | 301,985 |
| ‡Incl. ref. EPT | ...... | 296,377 |
| Times Interest Earned: | | |
| Before deprec. | 3.77 | 3.50 |
| After deprec. | 2.70 | 2.55 |
| Earnings per Share and Dividend Record: | | |
| Com.: | | |
| Excl. ref. EPT | $1.47 | $1.06 |
| Incl. ref. EPT | 1.47 | 1.19 |
| Paid | 1.05 | 0.92 |

CONDENSED GEN. BALANCE SHEET

| As at Dec. 31: | 1946 | 1945 |
|---|---|---|
| Cash | $2,143,624 | $2,605,965 |
| Investments | 8,167,600 | 1,964,615 |
| Accts. rec. | 2,712,617 | 2,778,328 |
| Total curr. assets | 13,023,841 | 7,349,908 |
| Misc. assets‡ | 2,228,518 | 2,313,802 |
| Unamort. disc., etc. | 5,568,569 | 5,067,462 |
| Mov'able prop. | 2,405,028 | 1,576,986 |
| Fixed assets | 163,306,318 | 159,089,870 |
| Subs. sec., etc. | 16,810,111 | 16,716,747 |
| Total assets | 203,341,285 | 192,114,775 |
| Acc. & tax. pay. | 2,545,124 | 3,126,634 |
| Bd. int. & div. | 1,480,693 | 1,545,406 |
| Total curr. liab. | 4,025,817 | 4,672,040 |
| Funded debt | 87,802,500 | 79,559,500 |
| Conting. res. | 1,160,632 | 1,163,868 |
| Deprec. res. | 36,721,577 | 33,654,603 |
| Capital stock | 67,562,997 | 67,562,997 |
| Surplus‡ | 6,068,362 | 5,501,767 |
| ‡Incl. ref. EPT | 1,522,774 | 1,535,116 |
| Working capital | 8,998,024 | 2,677,868 |

**FLEURY-BISSELL LTD.**, Elora, Ont. net profit for the year ended Oct. 31, 1946, was $49,899, against a deficit of $28,276 the previous year. Net operating profit was $76,421 (operating loss $9,241 in 1945). Deficit as at fiscal year end was shown at $104,292 and included a loss on sale of Aurora land and buildings of $17,328 and an adjustment of $43,586 to reduce net book value of capital assets to values admitted for tax purposes.

A special general meeting is being held this week to consider a proposal of compromise or arrangement between the company and its preferred and common shareholders.

INCOME ACCOUNT

| As at Oct. 31: | 1946 | 1945 |
|---|---|---|
| Net oper. prof. | $76,421 | *$9,241 |
| Less: Deprec. | 12,951 | 14,561 |
| Deb. int. | 600 | 824 |
| Nonrecurr. exp. | ...... | 3,650 |
| Income taxes | 12,971 | ...... |
| Net profit & surplus | 49,899 | *28,276 |

*Loss or deficit.

| Earnings per Share and Dividend Record: | | |
|---|---|---|
| Pref.: Earned | $14.08 | d$8.14 |
| Common: Earned | 2.08 | d3.01 |

None paid on either stock.

CONDENSED BALANCE SHEET

| As at Oct. 31: | 1946 | 1945 |
|---|---|---|
| Cash & Dom. bonds | $841 | $20,221 |
| Accts. rec. | 49,693 | 19,330 |
| Rec. re prop. sale | 17,632 | ...... |
| Inventories | 207,525 | 178,184 |
| Total curr. assets | 275,691 | 217,735 |
| Misc. assets | 5,921 | 14,747 |
| Fixed assets† | 149,977 | 233,296 |
| Total assets | 431,589 | 465,778 |
| Bank loans | 30,030 | 53,742 |
| Accts., tax., etc., pay. | 61,975 | 45,465 |
| Total curr. liab. | 92,005 | 99,207 |
| Funded debt | ...... | 16,000 |
| Capital stock | 443,876 | 443,876 |
| Less: Deficit | 104,292 | 93,305 |
| †After depr. of | 137,289 | 109,490 |
| Working capital | 183,686 | 118,528 |

**INDUSTRIAL MORTGAGE & TRUST CO.** 1946 net profit was up 34.4% at $62,566. Deposits and guaranteed investment certificates showed a steady increase. Investments in Government bonds and other liquid securities are carried on the company's books at less than market values. Balance in profit and loss account at year end was $59,441.

| | 1946 | 1945 |
|---|---|---|
| Liab. to public, etc.* | $6,573,445 | $4,919,159 |
| Shareholders' equity | 1,044,441 | 1,023,150 |
| *Secured by: | | |
| Mtges. & sls. agree. | 2,333,419 | 2,200,821 |
| Realty for sale† | 1 | 1 |
| Office premises | 59,922 | 40,333 |
| Liquid assets‡ | 4,224,544 | 3,701,154 |
| Total | 6,617,886 | 5,942,309 |

†Less reserve. ‡Includes bonds and stocks.

| | 1946 | 1945 |
|---|---|---|
| Estates account | 940,820 | 1,142,782 |
| Earned per share | $4.93 | $3.67 |
| Paid | 2.50+0.75 | 2.50+0.75 |

**FOREIGN POWER SECURITIES CORP.** showed a net loss of $46,377 for the year ended Oct. 31, 1946 ($78,298 loss the previous year). Earnings were $54,693 after expenses and a $9,302 loss in exchange, resulting from devaluation of the French franc. Unpaid bond interest was $101,070.

There was no change in securities of French public utility corporations held by the company. The Nationalization Act covering public utility corporation in France became law on April 8, 1946. Valuation for security holdings of these companies which now form part of Electricite de France (nationalized organization) was proposed on the basis of average value during the "standard period," Sept. 1, 1944, to Feb. 28, 1945, or on June 4, 1945, whichever is higher, for quoted stocks and, for nonquoted stocks, a value to be fixed by a commission, based on the liquidation value of the undertaking. Payment for security holdings was to take the form of 3% 50-year bonds of Electricite de France, revenue from which would be taxable. Such a basis, taking into account the depreciated value of the franc and the depressed market values during the period set out, would penalize the company unjustly, President A. J. Nesbitt states. Representations are being made for a more equitable settlement, based on intrinsic values and payment convertible into Canadian dollars at the average rate of exchange prevailing during the period mentioned. A decision may not be reached for some time.

Until the outcome, payment of bond interest coupon No. 22, due June 1, 1940, and of subsequent coupons, will necessarily have to remain in abeyance, it is stated.

INCOME ACCOUNT

| Years Ended Oct. 31: | 1946 | 1945 |
|---|---|---|
| Net earnings | $63,995 | $22,772 |
| Less: Int. & exch. | 101,070 | 101,070 |
| Exch. adj. | 9,302 | ...... |
| Net loss | 46,377 | 78,298 |
| Times Int. Earned | 0.63 | 0.23 |
| Earnings per Share and Dividend Record: | | |
| Pref.: Earned | d$0.93 | d$1.37 |
| Common | d2.77 | d3.03 |

None paid on either class of stock.

CONDENSED BALANCE SHEET

| As at Oct. 31: | 1946 | 1945 |
|---|---|---|
| Cash | $19,423 | $15,697 |
| Invests. at cost | 8,867,371 | 8,842,619 |
| Misc. assets | 79,113 | 48,626 |
| Total assets | 8,965,907 | 8,906,942 |
| Bond int. accr. | 699,067 | 597,998 |
| Accts. pay. & accr. | 9,313 | 5,040 |
| Total curr. liab. | 708,380 | 603,038 |
| Funded debt | 1,634,500 | 1,634,500 |
| Capital stock | 6,500,000 | 6,500,000 |
| Surplus | 73,027 | †119,404 |

*Deficit. †Incl. $382,640 income recd. in France 1941-44.

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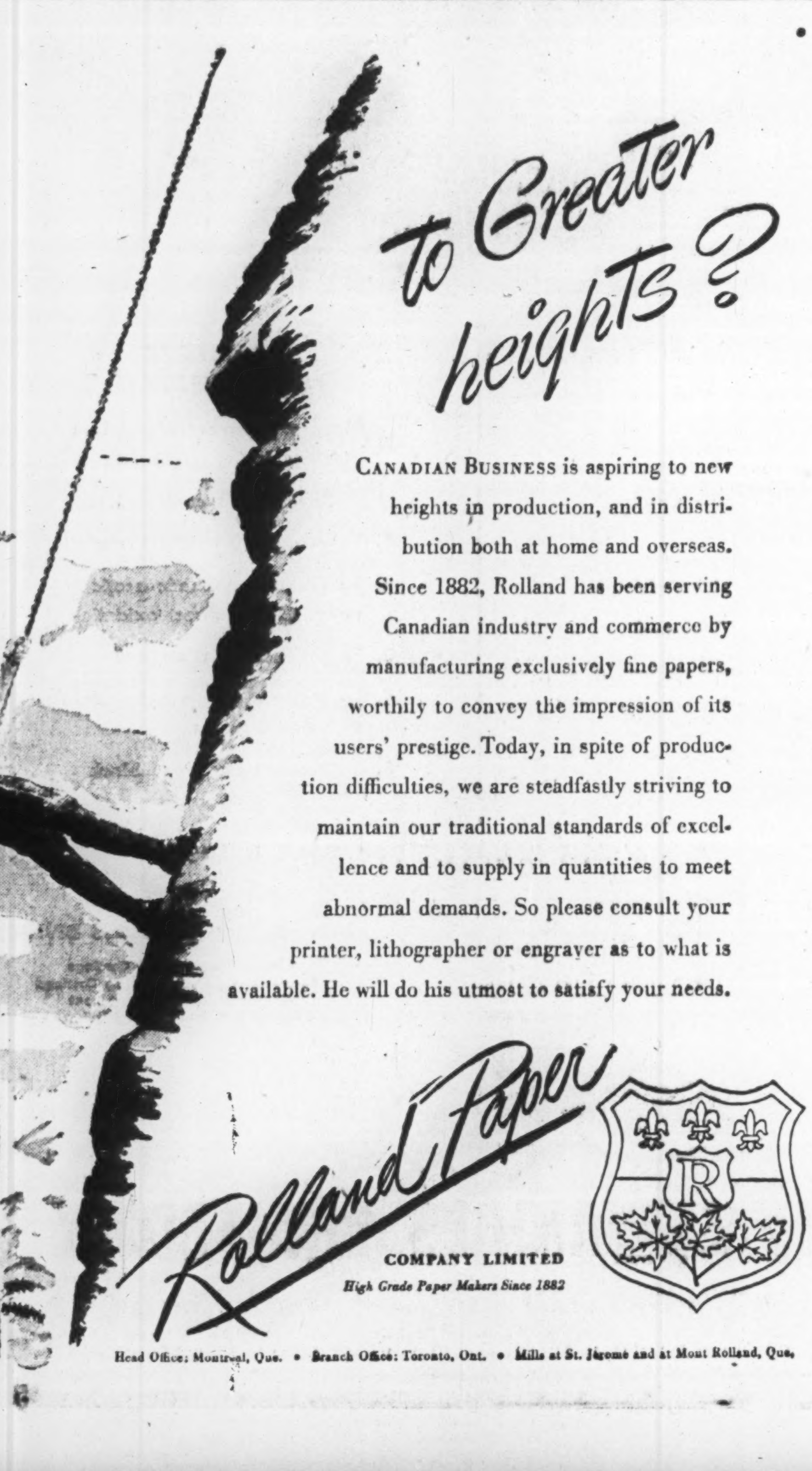

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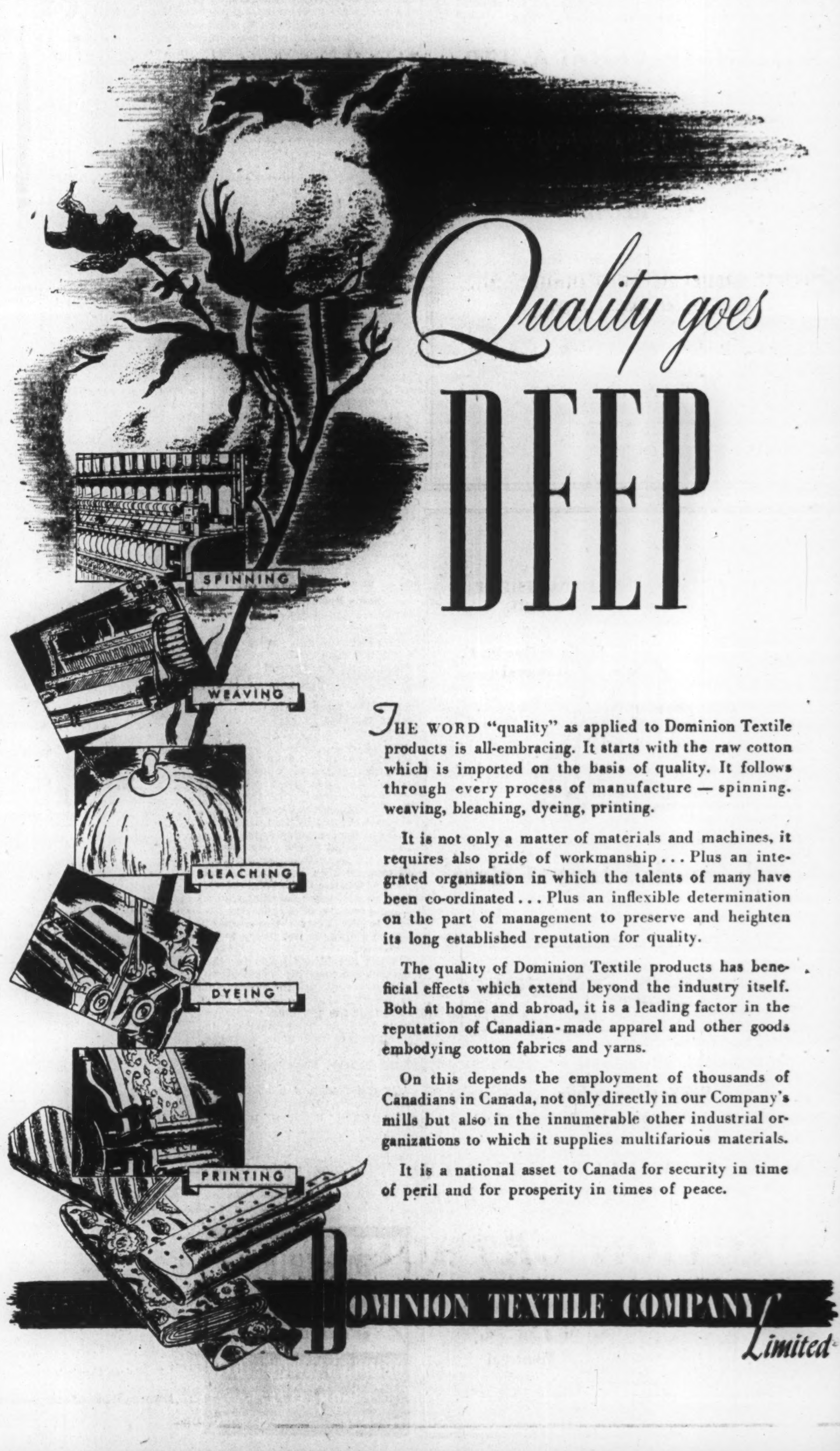

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**PROPRIETARY MINES** has declared a dividend of 3 cents a share, payable Mar. 10 to shareholders of record Feb. 8. This is a reduction from previous payment of 5 cents a share and is in line with recent reduction in interim dividend of Kerr-Addison Gold Mines. The latter company hopes to raise tonnage from present 1,650 tons a day to 2,000 early in second quarter of this year, contingent on an increase in the working force.

# Quebec Will Seek More Finished Wood Products

## New Forestry Program Expected to Discourage "Speculation" in Resources — Will Include Rules Covering Cutting Operations

Next to agriculture, forestry ranks as Quebec's biggest business. Right now the problem of how to perpetuate Quebec's 254,163 square miles of forest domain is one that has top priority of the present session of the Quebec legislature.

Shortly the Hon. John S. Bourque, Minister of Lands and Mines, will bring down new forest legislation. Just what the new forest program will call for has largely been a matter of conjecture but it is understood that it will provide for "rational exploration" with "all the benefits of the forest going to the people of the province."

Based on conversations with Premier Duplessis, The Financial Post understands that the new forest program will embody the following main points:

(1) The Province will seek to obtain a greater return from its forest capital;

(2) Speculation in forest resources will be ruled out. This means that efforts will be made to discourage control of Quebec pulp and paper companies for the sole sake of financial control. Care will be taken by the province to ensure that pulp and paper companies are controlled and run by individuals with the interest of the industry at heart.

(3) The Government would like to see and proposes to encourage greater production of finished products. Heretofore too much of the Province's forest wealth has been exported as raw material with a smaller return to the Province than would be obtained from a further processing of the raw material into finished production.

(4) Forest policy is expected to cover timber cutting so that waterfalls will be protected;

(5) Rules respecting cutting operations covering second growth, reforestation, etc., will be included.

### Will Regroup Forest Limits

Last year legislation was passed by the Quebec Legislature providing for a more economical grouping of forest limits in view of the location of pulp and paper mills in Quebec. This rearrangement is still pending and it may be expected that a broad legislative policy covering such transfers will be included at the present session. Purpose of this legislation would be to effect over-all economies in pulpwood cutting operations.

Quebec lands reserved for forest operations are administered by the Department of Lands and Forests. Technical work, such as inventory, reforestation, superintendence of cutting and control of culling, is in charge of the Forestry Service.

The limits are leased by auction after public notice has been given. The lease-holder has the exclusive privilege of cutting timber on a specified area of the domain. The price of this license, fixed by auction, is payable in three installments, the first cash, the second at the end of a year and the last after two years, bearing interest at 6%. The Government reserves the right to dispose of the waterpowers on the limits leased, together with the ground required for their development. In certain cases, the stumpage dues instead of the adjudication premium are fixed by auction, the bidder agreeing to pay, besides the tariff in force for stumpage dues, an additional amount varying according to particular circumstances.

The leaseholder binds himself to erect, within a certain period, a pulp or paper mill and a power plant of sufficient capacity for its operation. The lessee of a limit must also pay, over and above the amount fixed by auction, a ground rent of $8 per square mile. At the end of operations the limit-holder must produce a sworn statement of the quantities cut with stumpage dues payable before Dec. 1 each year.

Government conservation policy has long been established on the principle that the forestry problem cannot be solved by natural growth alone. With this in mind the Government has established three permanent nurseries, the first in 1908 at Berthierville. Small nurseries have also been set up in many townships. These nurseries can supply well-acclimatized plants of good quality to those regions where reforestation is urgently needed.

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# *More Alberta Coal to Ontario*

From Our Own Correspondent

EDMONTON — Alberta coal-shipments to Ontario market totalled 328,104 tons at the end of November, an increase of approximately 50,000 tons over the entire year 1945. The 11-month total is made up of 142,101 tons of bituminous and 186,003 tons of sub-bituminous coal.

Total 1946 Alberta production is estimated at a record 8,750,000 tons, up nearly one million tons from 1945.

# Motorists Hope Better Tires After Mar. 31

Should I wait to buy my new tire? Will automobile tires have more crude rubber in them after March 31? These are questions in the minds of many motorists.

Rubber manufacturers also say they would like to know the answer to the second question; that the outlook is far from clear.

There are two main factors which will determine the percentage of crude used after Mar. 31, namely:

(a) The amount of crude available

(b) Whether government control, now slated to expire on Mar. 31, will be dropped or continued.

On this second point, latest word from Ottawa is presently emphatic. It is to the effect that there is no intention whatever of continuing "usage" control of crude and synthetic rubber after March 31. On and after that date, according to best available information from Ottawa, each manufacturer will then be free to put as much crude rubber into new tires as his supply of crude and his inventory position on synthetic rubber will permit. No doubt manufacturers with heavy synthetic inventories (if there are any) would like to see Ottawa continue to hold its "usage" umbrella over the trade, but best word from there is "no."

Importance of this "usage" control in terms of the ordinary car driver is the increasing consumer resistance to synthetic tires for passenger cars in winter. Synthetics are rated quite definitely inferior so far as nonskid qualities are concerned. Thus right through the war, trucks have been getting the breaks and a larger share of crude as it was available.

### How Much Crude?

As at last December, Ottawa permitted use of crude in ordinary 4-ply passenger tires to jump from 13 to 23%. Six-ply tires in the popular size may now use 33%. Larger size passenger tires, since December, have been using as high percentages as two-thirds crude. Large truck and bus tires are made almost entirely of crude rubber.

Thus the big question as at April 1: How much crude will individual manufacturers put into new tires as they come off the production line?

On the over-all world supply picture, representatives of four nations at a recent five-day conference in London estimated the 1947 crude rubber supply at only 70% of world demand without allowing for stockpiles (actual figures 1.2 million tons supply vs. 1.7 million tons demand). Even for 1948 they estimated crude supply will not equal demand. (1,450,000 tons vs. 1,675,000 tons.)

This over-all world shortage may be accentuated in individual cases by unrestricted competition for the available supply.

Canadian companies have been "on their own" in purchasing crude rubber since Jan. 1. Most firms report they have not had much difficulty to date in obtaining crude at the open market price. Current costs are said slightly above the Government's selling price of 22.63 cents a pound. (Current costs are based on around 20¼-½c. f.o.b. Singapore.)

### Ask Continuation U.S. Controls

The situation in Canada differs from that in the United States where government purchasing is continuing to Mar. 31 and where there is a definite feeling that the U. S. companies may persuade the Government to continue buying after that. For example, P. W. Litchfield, board chairman of the U. S. Goodyear Tire & Rubber Co., strongly recommended last week that Congress continue the U.S. controls in importation, allocation and specification of the uses for natural rubber. The three fields are closely interdependent, he pointed out.

Canadian rubber manufacturers do not think there is much chance of the Canadian Government going back into the rubber purchasing field. However, the rubber controller has asked for reports from the firms on the success of their buying which might indicate a desire to help if the firms run into difficulties.

At present dealers say the supply of tires is not plentiful. Passenger tires are coming through in sufficient quantity to supply present demand, which is low due to the winter season, but truck tires are reported as still in relatively short supply.

**AUNOR GOLD MINES** has declared a dividend of 5 cents a share, payable March 1 to shareholders of record Feb. 7.

**PEN-RAY GOLD MINES** has sold 200,000 shares to Chateau Mining Synd.

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# Quebec Has Big Stake in Shipping

## How Long Will Yards Be Busy? Wages and Ship Speed Factors

What is the future for Canadian shipping and shipbuilding? Probably nowhere in Canada, with the possible exception of the West Coast, is this question asked more often than in Quebec. To some extent shipbuilding is tied up with shipping and some persons believe that an aggressive shipping program for Canada will do much to keep the shipyards humming. Canadian exporters point out that if Canada wants to expand her international trade she must have ship bottoms to carry the goods. But how does all this affect Quebec province?

To begin with, this province has a big stake in shipbuilding. In 1944 (the last year for which accurate figures are available) the gross value of shipbuilding and repairs in the province totalled $109,736,338. Just as important is the fact that it employed 22,162 persons and paid more than $22 millions in wages. This represents a big increase for the industry over pre-war years (even with increased costs) when gross value was running less than $20 millions and employing around 4,000 persons.

Shipbuilding in the province has fallen off since the peak 1943-44 years and this is one reason why Quebeckers are asking themselves what the future holds for the industry. For 1947 business is likely to be good and will carry on into part of 1948 at least.

The three big shipyards in the province located at Levis, Sorel and Montreal all have substantial orders on hand. Davie Shipbuilding Co. at Levis is working on a $5,175,000 order for three 5,500 long tons motor cargo vessels for France; Marine Industries, Sorel, has an $8,358,000 order for the same country for six 2,600 metric ton cargo vessels; Canadian Vickers, Montreal, has taken on a $9,400,000 order for France for four 5,500-ton motor cargo vessels; Dominion Bridge Co., Montreal, a $3,852,700 order for 20 self-propelled Rhine barges and 80 150-ton barges.

In addition to these orders the companies will have repair work and most of them have other contracts on hand as well. Canadian Vickers and Davie Shipbuilding have recently delivered two motor cargo vessels to Canadian National Steamships and Marine Industries launched the largest ice-breaking ferry, for use between Prince Edward Island and Nova Scotia, last November.

It is pointed out, however, that the bulk of the present orders on hand in Quebec yards is government-financed; either by direct orders or through export credits such as the French orders. What, it is asked, will happen when this source of business dries up? It is at this point that some observers think a long-range plan for building a Canadian merchant fleet could come into play.

Already a start has been made in this direction. According to Canadian Shipping and Marine Engineering News (Maclean-Hunter Publishing Company Limited) the ocean-going tonnage of Canadian-flag ships increased from 227,387 gross tons in 1939 to 1,006,000 in 1946. In addition the number of Canadian shipping companies has jumped from 66 in 1939 to 127, almost a 100% increase.

### Minor London Baltic Exchange

Many of these companies have made their headquarters in Montreal. Some shippers claim that the city has become a minor London Baltic Exchange. One reason for this is that Greek and other European tramp steamer companies which used to operate out of London, Eng., now make Montreal their headquarters. Probably more important than the trampers, however, are the big steamship lines which are now operating direct routes from Canada to South America, Asia, Europe, and other important world markets.

Just how firm a foundation this new shipping business is built on remains to be seen. It is suggested that Canadian shipping companies like those in United States may not be able to compete against foreign shippers due to higher wage costs. Another factor also is whether the speed of Canadian ships is best suited to postwar competitive conditions.

These operating factors, however, can only be definitely determined under postwar competitive conditions. The fact remains that Canada now has more than 170 ocean-going ships whereas she had around 35 in 1939, according to the above-mentioned Maclean - Hunter publication. Also a large proportion of today's ships are being operated from head offices in Quebec Province. This increase in shipping activity is reflected in the number of ships loaded in Montreal harbor during 1946. During the year 749 ocean-going ships were loaded compared with 601 in 1945. On a tonnage basis this was an increase of 587,934 tons or 26.3%. Some of this increased traffic is explained by the fact that 1946 was the first full shipping season since the end of the war.

### Watch Waterway Question

A speck on the Quebec shipping horizon, however, has recently taken on larger proportions and even threatens to become a cloud. This growing speck is the reopening of the question of the St. Lawrence Waterway. Some United States interests are strongly behind the project; others, chiefly at the Chicago end of the Great Lakes, are against it. From a Quebec point of view the seaway project suggests the possibility of ocean-going vessels bypassing Quebec, Montreal and other St. Lawrence ports to steam into Kingston and Toronto.

Quebec City had cold water thrown on one of its pet projects last year—free port—when the Parliamentary Committee appointed to study the question said it thought Canada had no need of free ports at this time. Quebec city planners believe that a free port area would go a long way toward stimulating trade in the city as well as providing a come-on for ocean-going vessels.

These, however, are only indications that municipal and provincial government authorities are alive to every possibility which would increase commercial shipping. And this is where we can return to the outlook for the Quebec shipbuilder. It is generally conceded that if interest in Canadian shipping can be kept alive shipbuilders will benefit by a flow of contracts for new ships. In addition to ocean-going vessels there is still a large tonnage to be built up for inland water traffic, it is stated.

While it is generally admitted that Quebec yards cannot compete with European and United Kingdom shipbuilding works on a cost basis, many men in the business believe that there is a place for Canadian-built ships. They say that Quebec yards can concentrate on specialized work such as ice-breakers, motor cargo vessels or probably refrigerated ships. But as far as 1947 is concerned shipbuilders hope to see Canadian shipping companies operate on a profitable basis against all-comers. This, they say, will prove that Canadian-built ships can compete on the world's sea lanes, thus opening up the possibility of more orders for Quebec-built ships.

With an eye on world trade, Quebec's war-expanded shipyards are busy on contracts for both Canadian and foreign companies. The forest of timber and steel in this Montreal yard is typical of the larger plants which are contributing to Quebec's industrial growth.

## Quebec to Aim At Cod Market

(Continued from page 35)

authorities, however, think that the marketing methods introduced by the Combined Food Board has pointed the way to the future. They believe that a continuation of orderly marketing methods instituted by the CFB should do much to eliminate the ups and downs of the fishing industry. In addition it is hoped that wartime marketing of fish has taught the fish-producing areas that their greatest hope lies in co-operation.

This is a lesson which Quebec fishermen have already learned in their own province. More and more fishermen in the province are operating on a co-operative basis. In 1945 there were 28 co-operative associations in the province; 11 in Gaspe, nine at Magdalen Islands, five on the North Shore, three on the St. Lawrence River. One of these, Co-operatif de Transport Maritime et Aerien, on Magdalen Islands, is planning to purchase one or two planes. These will be used to fly fresh or frozen fish to the big New York or Chicago markets.

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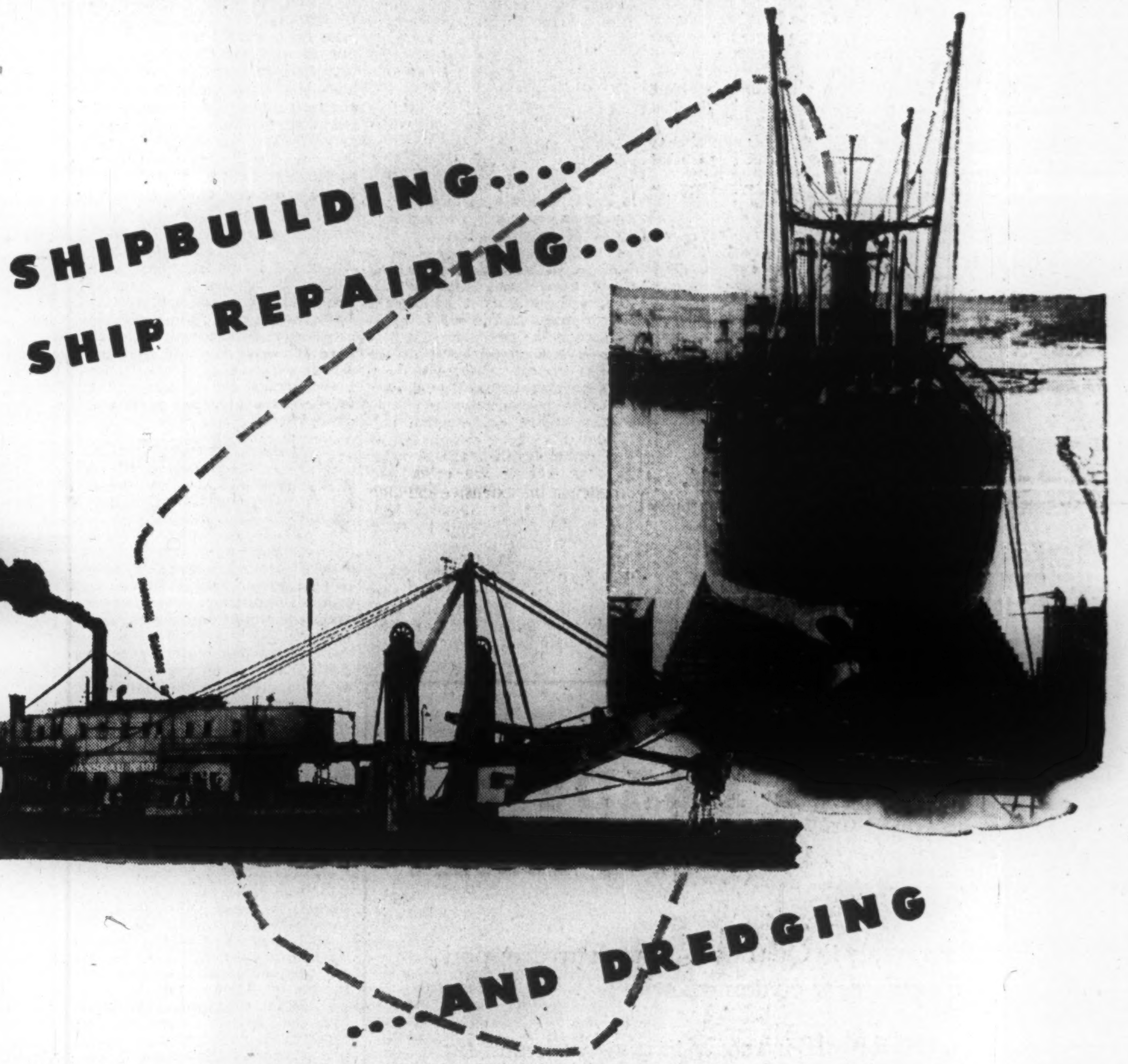

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# Asbestos Production Passes Gold As Quebec Expands Mining Variety

**By JONATHAN ROBINSON**
**Minister of Mines**
**Province of Quebec**

Preliminary estimates of the value of the mineral production of the Province of Quebec during 1946 indicate that the total value of the products of our mines and quarries is about $90 millions; this all-inclusive figure does not indicate any significant difference from the corresponding figure for 1945. If, however, the total production be subdivided into the usual classifications—metals, nonmetallics, and building materials—comparison with the figures for 1945 then reveals that there has been a noteworthy decrease in the value of the metals, and a substantial gain in the value of the building materials. For the first time since 1930, the value of the asbestos production has surpassed that of gold in the Province.

In the Western Quebec district which has developed in the past 20 years into one of the great metal-mining areas of the world, 23 mines are now producing gold, copper, zinc and molybdenum and, at the same time, recovering selenium, tellurium, silver, lead and bismuth from their ores. One mine in the district joined the ranks of the producers when Elder Gold Mines Limited started shipping ore from development work to the Noranda Smelter. Two producing mines, the Beattie and the West Malartic, suspended operations.

### Start Shipping Bismuth

It is of interest to note that in 1946 the Molybdenite Corporation of Canada started shipping bismuth from their property in Lacorne township. Adjustments in the mill at the Golden Manitou Mine have resulted in recovery of lead in their ore in the form of lead concentrates, the first to be produced in Western Quebec.

The mines in Western Quebec are still handicapped by problems arising from shortage of labor. To these must be added the difficulties caused by the sudden drop in the price of gold which automatically followed the re-establishment of parity between Canadian dollar and that of the United States. Finally, serious setback to the industry appeared on the horizon at the end of the year through an employees strike which paralyzed the operation of Noranda Mines, Limited, our most important gold-copper producer.

On the other hand, substantial progress has been achieved toward the development of new ore bodies discovered through the large amount of exploratory work, mostly in the form of diamond-drilling, that has been carried out in recent years in the district. During 1946, new shafts were completed on 20 properties and underground development and exploration are under way; deepening of existing shafts on two inactive properties was also completed and underground operations are at present in progress; on seven other properties, shaft sinking has been undertaken in preparation for underground development and exploration; and one other property has resumed activity to deepen an existing shaft. Finally, on two properties, shaft sinking and underground exploration have been followed by suspension of operations.

### Build Custom Zinc Refinery

A further noteworthy development in the metal-mining industry in the Province appears on the horizon through the announcement of plans to erect a custom zinc refinery at Arvida which will permit treatment in the Province of the ores mined within its boundaries. In addition to the zinc producing mines in Western Quebec, the New Calumet mine in the Upper Ottawa river district would stand to benefit by this step. It is pertinent to mention at this point that a promising discovery of lead and zinc was made on ground held by Candego Mines, Limited, in Boisbuisson and Christie townships, Gaspé north county.

The statistics regarding prospecting and mining exploration show that the number of claims recorded has decreased from 23,947 in 1945 to 18,873 (about 113,000 acres) in 1946; development licenses granted have also decreased, but there has been a sharp increase in the number of development licenses renewed. Prospecting activity in Quebec which had reached an all-time maximum in 1945, was adversely affected by the decrease in the price of gold which came into effect during 1946.

It is particularly gratifying to be able to report sustained activity in the search for new mining fields in the unexplored parts of Quebec. Foremost in this field are the efforts of Hollinger North Shore Exploration Company, Limited, to develop and bring into production the extensive and high grade deposits of hematite iron ore in the southeastern part of Ungava or New Quebec.

### Study Ilmenite Deposits

The ilmenite deposits of the Allard Lake area, to the north of Havre St. Pierre on the Lower St. Lawrence, have also received continued attention, both in the field and in metallurgical laboratory investigations of processes for their utilization; attention was first drawn to these deposits by a geological field party of the Quebec Department of Mines. The lead and zinc deposits of Richmond Gulf, on the east shore of Hudson's Bay, were visited by a prospecting crew who reported satisfactory progress in the preliminary steps toward their investigation. Late in the season, quite a large number of claims were staked in the Mistassini Lake region, another new field for prospectors in Quebec.

The construction of the highway from St. Felicien to the Chibougamau area is being pushed by the Quebec Department of Mines, and about half of the road has been graded and gravelled. It is expected that completion of the highway by the end of 1947 will give a marked stimulus to development in this promising mineral region.

The output of industrial minerals from Quebec in 1946 is estimated at nearly $49½ millions, or 55% of the total mineral production of the province for the year. All time records were reached in the production of asbestos, feldspar and building materials.

### In the Asbestos Industry

Main developments in the asbestos industry included the completion of a 1,000-foot shaft at the Asbestos mine of the Johns Manville Company, in preparation to a change over from open-pit to underground mining; a new producing mine, Flintkote Mines, Limited, opened a mine and a 500-ton mill three miles north of Thetford Mines.

A new high was also reached in the output of building materials which is estimated to reach nearly $21½ millions. This reflects the expected postwar demand for construction and engineering projects; in the Province of Quebec, contracts for such projects totalled $226,809,500, an increase of 86% over 1945.

The balanced nature of the mineral production of Quebec, with its evenly-distributed proportions of gold, base metals, non-metallics and materials for construction gives every reasonable assurance for the stability of this important basic industry. The vast area of unexplored territory, including within its boundaries nearly one-third of the Canadian Shield, offers opportunity for expansion and profit and promise of long life to mining in the province.

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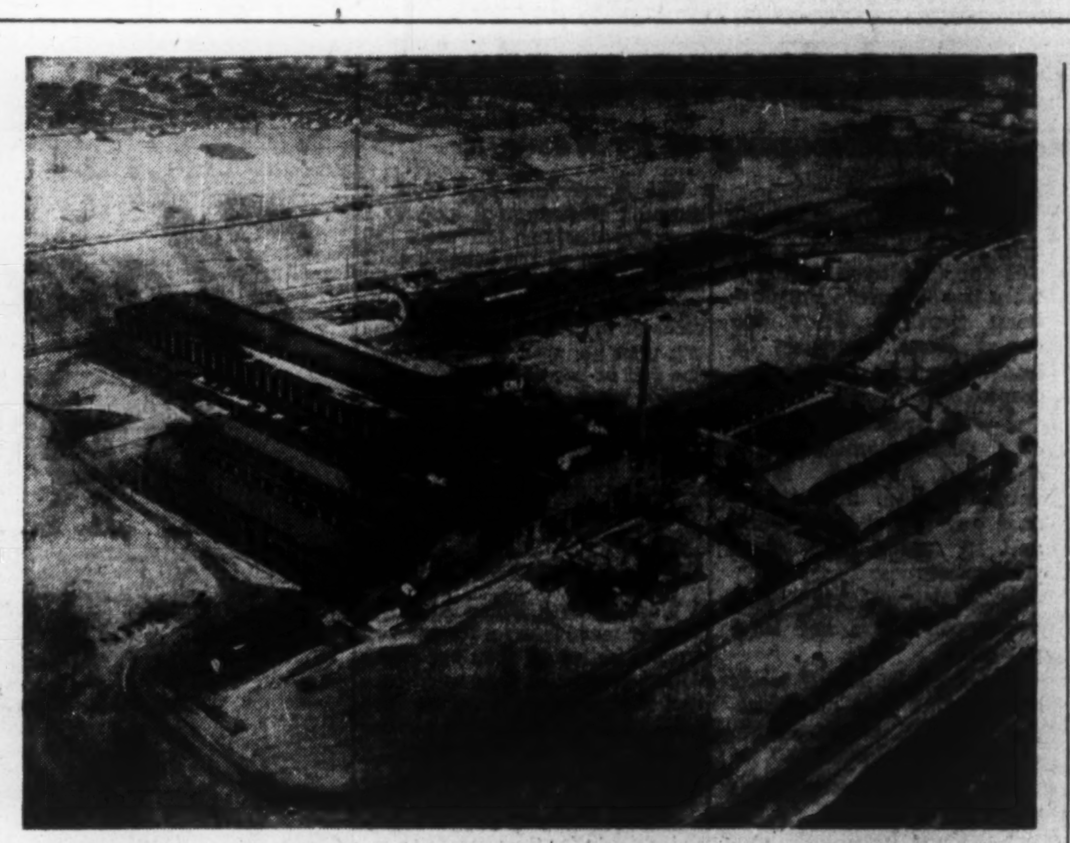

A new Quebec industry for the production of copper and brass products will be opened soon in the plant of Canada Strip Mills at Montreal East, shown here. A new company known as Noranda Copper and Brass Ltd., is being formed as a subsidiary of Noranda Mines to operate the plant. Associated with Noranda in the venture is Bridgeport Brass of Bridgeport, Conn., for over 80 years a leader in the brass industry in the United States.

# Low-cost Ocean Travel British Government Aim

## Wants Lower-income Bracket Canadians as Visitors — Food and Accommodation Scarce Today, But Will Improve, Travel Envoy Says

So you'd like to visit the Old Country.

Well, don't board a ship to go over unless you've got the return passage signed on the dotted line; and don't land in London and expect to walk into the Savoy and book a room without advance reservation. Likewise, on the advice of Lord Hacking, founder and chairman of the Travel Association of Great Britain and Northern Ireland, Canadians going over this year or next, should not expect to eat too well.

What the visitors will get to eat will be good, but it may not be enough to satisfy them, said Lord Hacking as he enjoyed Toronto's unrationed hospitality. He is in Canada on behalf of the British Government, preaching the doctrine that travel abroad makes for international friendship and that Britain is anxious to increase her friends in America. Along with his goodwill invitation, Lord Hacking is also offering advice to prospective tourists.

### Labor Aiding Travel

Lord Hacking, a staunch Tory if ever there was one (he held a Conservative seat in the Commons for 27 years before his elevation to the peerage during the war), is loud in his praise of what the Labor Government is doing for the travel industry. Far more, he told The Financial Post, than any previous government in his knowledge has done.

Transportation by rail, road and air is functioning smoothly again. Of Great Britain's 3,600 hotels, only about 300 still remain requisitioned for national use, the rest having been reconverted for peacetime guests. Many traditional country inns have been bought up by brewing companies, which are successfully modernizing interior facilities without destroying their atmosphere, Lord Hacking reports.

A special committee, representing businesses—hotels, catering, transportation—directly concerned with reception and entertainment of holidaymakers from abroad and from other parts of the United Kingdom, has been formed by the Government. Its job is to see to the promotion of the industry abroad and the improvement of its operation at home.

The British Government expects its trade balance from tourist dollars to increase steadily with commissioning of more ocean-going passenger ships; hopes that some of these new ships will be built to give a comfortable, if not luxurious voyage to Canadians in income brackets which made the trip impossible pre-war.

The United Kingdom badly needs tourist dollars, Lord Hacking said; but not immediately and at the expense of longer lasting friendships. He is doing his utmost to warn impatient visitors against present conditions, particularly in foodstuffs, so that they will not be disappointed in 1947 and soured on future trips.

# COMPANY REPORTS

**EDWARD LIPSETT LTD. and LIPSETT ENGINE & MANUFACTURING CO.**, Vancouver, B.C., net profit for the year ended Nov. 30, 1946, was more than double the previous year's at $49,635. Net earnings were up $24,785 and provision for taxes (including refundable excess profits taxes) was $64,500—up $12,500.

**CONSOL. INCOME ACCOUNT**

| Years Ended Nov. 30: | 1946 | 1945 |
|---|---|---|
| Net earnings | $172,893 | $148,108 |
| Less: Deprec. | 39,002 | 50,066 |
| Bond int. | 4,114 | 7,290 |
| Other int. (net) | 15,642 | 19,639 |
| Prov. for taxes♦ | 64,500 | 52,000 |
| Net profit | 49,635 | 19,113 |
| Less: Cl. A divd. | 5,000 | ...... |
| Surplus for year | 44,635 | 19,113 |
| ♦Incl. ref. EPT | 1,000 | 6,000 |
| Earnings per Share: | | |
| Cl. A: Excl. ref. EPT | $4.96 | $1.91 |
| Incl. ref. EPT | 5.06 | 2.51 |
| Paid | 0.50 | .... |
| Cl. B: Excl. ref. EPT | 2.68 | 0.62 |
| Incl. ref. EPT | 2.75 | 1.02 |

**CONDENSED CONS. BALANCE SHEET**

| As at Nov. 30: | 1946 | 1945 |
|---|---|---|
| Cash | 1,738 | 22,470 |
| Accts. rec., less res. | 307,531 | 281,418 |
| Inventories | 897,297 | 699,061 |
| Total curr. assets | 1,206,566 | 1,002,949 |
| Consign. stocks | 72,333 | 65,043 |
| Def. charges▲ | 67,651 | 60,514 |
| Fixed assets* | 275,540 | 328,177 |
| Total assets | 1,622,090 | 1,456,683 |
| Bk. loan & overdraft | 367,351 | 329,182 |
| Accts., etc., pay. | 347,384 | 186,593 |
| Total curr. liabs. | 714,735 | 515,775 |
| Consign. stocks | 72,333 | 65,043 |
| Funded debt | 70,000 | 144,000 |
| Capital stock | 496,000 | 496,000 |
| Capital surplus | 105,584 | 118,062 |
| Earned surplus▲ | 163,438 | 117,803 |
| ▲Incl. ref. EPT | 61,513 | 60,513 |
| *After depr. of | 222,467 | 206,090 |
| Working capital | 491,831 | 487,174 |

**PREMIER TRUST CO.** 1946 net profit was up 17.4% at $71,254. Gross revenue was $293,176 ($242,126 in 1945). Dividends at the rate of 2% were disbursed, $17,000 was written off assets and $10,000 was added to investment reserve. Balance carried forward in profit and loss account was $40,265 ($20,667).

| | 1946 | 1945 |
|---|---|---|
| Liab. to public, etc.* | $3,726,375 | $3,639,303 |
| Shareholders' equity | 1,443,140 | 1,413,303 |
| *Secured by: | | |
| Mtge. & sls. agree. | 1,768,595 | 1,620,466 |
| Office premises | 161,871 | 177,084 |
| Realty for sale | ...... | 44,394 |
| Liquid assets♦ | 3,239,049 | 3,210,662 |
| Total | 5,169,515 | 5,052,606 |
| ♦Includes bonds and stocks. | | |
| Estates account | 7,004,227 | 7,065,179 |
| Earnings per share† | $5.78 | $4.92 |
| Paid | 2.00 | 2.00 |

†Based on amount paid up on subscribed capital.

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*Always set the pace in sports* **EQUIPMENT**

Call it tradition or what you like, anyone who knows sports knows that the Spalding and Reach, Wright & Ditson names are synonymous with the finest in sports equipment. Men who know Sports also know that only the finest equipment can produce the best in Sports accomplishment.

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2

**Looking Ahead . . .**

Proud of its record during the years of war when it built the sturdy ships that helped speed the Victory, the Davie Shipbuilding and Repairing Company Limited, has now reconverted for the construction of peacetime vessels that will assist in the development of Canada's vital export trade. At the Lauzon yards, in the Province of Quebec, and in other yards strategically situated on the Great Lakes, Canada Steamship Lines and its subsidiaries can contribute its share to any programme of shipping rehabilitation.

Canada Steamship Lines looks forward to the ever-growing status of the Dominion in the councils of the United Nations and is well-equipped to handle its share of the job that lies ahead because of its increased holdings and the improvement to its physical property.

In addition to its shipyards Canada Steamship Lines operates the finest inland passenger and freight vessels afloat, and some of the most exclusive resort hotels on the Continent.

**CANADA STEAMSHIP LINES**
**715 Victoria Square, Montreal**

*Shipbuilding Subsidiaries*
DAVIE SHIPBUILDING & REPAIRING COMPANY LIMITED
Lauzon, Que.
CANADIAN SHIPBUILDING & ENGINEERING COMPANY LIMITED
Collingwood Kingston Port Colborne Midland

Sun AND Fun

IN OLD QUÉBEC!

This year join the gay winter holiday-makers in snow-mantled Old Québec. Sun and skiing galore at Lac Beauport and Valcartier... learn the Parallel Technique under ski maestro Fritz Loosli... skating and sleigh riding too... and the traditional hospitality of the baronial Château Frontenac.

For reservations consult any Canadian Pacific agent or write Hotel Manager.

Château Frontenac
IN OLD QUEBEC
A CANADIAN PACIFIC HOTEL

# How to Get and Keep a Maid

## Home Aides Make Housekeeping a Profession

By ROBERT R. ROBINSON

Hard to get good domestic help and keep it these days?

Evidently so, because an average week's record at the household employment division, Unemployment Insurance Commission, shows more than 500 unfilled orders for maids, cooks, housekeepers in the Toronto area alone.

But perhaps an out-and-out labor shortage is not the explanation. Because another file in that same Dept. of Labor office shows enormous numbers of capable young women wanting this kind of work but not getting it because they have a young child with them who would have to go along with the mother.

Some householders would rather put up with no help at all, it seems, than take in perfectly competent help plus a youngster —even though both mother and child are in dire need of a decent roof over their heads and three square meals a day.

Mrs. Ombra Dill, acting supervisor of Women's Employment Service, Toronto, says that's the toughest job on her hands today—to sell prospective employers the idea that they would be doing both themselves and some poor war widow or young mother separated from her husband a favor to take both mother and child.

**Young Mothers Good Workers**

"We have all kinds of applications from young mothers who are fully prepared to do an excellent job, provided they can find a suitable home for their youngsters," Mrs. Dill told The Financial Post. "If employers could only be brought to realize it, they would find such young mothers are generally more dependable than single women, much less likely to be gadding about all the time, less inclined to change jobs."

That's the case against the employee with children, as shown by Mrs. Dill's files. It's clearly a stand that is working great hardship on many young mothers.

The case against the employer is also pointed up by the experience of interviewers in Mrs. Dill's department. They get daily dozens of applicants for jobs; soon learn what the household worker of 1947 is looking for. And more often than not it's living conditions, her employer's attitude, enough free time to permit a reasonable personal life, rather than actual wages that she wants.

**To get and keep domestic help today, here are a few tips for employers straight from the Women's Employment Service. They are culled from hundreds of interviews with prospective employees:**

**1—Be prepared to take on a young woman with a child to support. Many young widows and separated war brides need work and a place for their youngsters.**

**2—Make working and living conditions for help pleasant.**

**3—Keep hours of work and routine jobs on schedule. Avoid unreasonable extra time and work.**

**4—Pay wages weekly instead of monthly.**

**5—Treat household employees with the same respect they might expect in offices or other work — "Miss So-and-so," not just an imperious "Mary."**

It can't be just wages, for the woman cleaning house, cooking, looking after children, can usually equal the pay of her sisters at typewriter, punch machine or shop counter today. It can be better explained as a feeling among job-seekers that there is still a social stigma attached to "service"; and a reluctance among some employers to grant anything like the personal freedom that a girl finds in the after-work hours of other occupations.

To solve the problem bracketed by these two attitudes, Mrs. Dill's office in October, 1945 introduced the "Home Aide"—a radically new kind of household employee. The Home Aide goes out to work in homes for a definitely scheduled number of hours per day, at approximately 40 cents per hour.

The Home Aide may work a morning shift from 9 a.m. to 1 p.m.; the afternoon shift from 3.30 to 7.30 p.m.; or the evening shift from 8 p.m. until midnight. Her hours are arranged just as in office or industrial plant; and she can plan her own home life and the rest of her day knowing precisely when her work will be done. She can arrange her schedule to be employed regularly one, two, or three shifts per day, any number of days a week; perhaps splitting her days and shifts up to meet the needs of two or three families not requiring full-time help.

Working as a Home Aide has already made many a former war worker better off than her white collar sisters. In a five-and-one-half-day week she earns the equivalent of about $25 — her weekly cash earnings totalling $17.60, plus two meals a day in the homes where she works. That compares favorably with the prevailing rate for the average Canadian stenographer today.

The Home Aide plan is advantageous to employer as well as employee, enabling medium-income housewives to enjoy part-time help when a full-time maid would be beyond reach of their budgets. It's a boon, too, to business couples, normally away all day without a chance to put the home in order and to prepare a hot dinner.

**Rates of Pay**

There are no fixed rates of pay for employees in various household service categories, each case being conditioned by the demands of the particular job — number of rooms in the house, number of children to look after, etc. Custom has, however, resulted in an average, if flexible, schedule approximately like this:

| | *Monthly |
|---|---|
| Couples (woman cook, husband chauffeur, gardener, houseman) | $100 to $150 |
| Cooks | 75 — 100 |
| Housekeepers | 75 |
| Parlor maids | 65 — 70 |
| Nursemaids | 60 — 65 |
| Cooks general | 45 — 75 |
| Mother's helpers | 40 — 50 |
| House maids | 35 — 60 |

*Plus room and meals in each case.

These rates have come down slightly from wartime peaks of extreme help shortage and wild bidding for the services of those few competent household employees who didn't desert the home for the war plant. Unemployment Insurance Commission officials say the rates seem to be holding at a fairly healthy level as 1947 gets under way.

ESTABLISHED 1907

The Only Structural
Steel Plant In The
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MacKINNON STRUCTURAL STEEL CO. LIMITED
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Montreal Office — 555 New Birks Building

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Au Service du Public
Le plus grand hebdomadaire français d'Amérique
Vol. XX—N° 41
MEMBRE DE L'A.B.C.
MONTREAL DIMANCHE 4 août 1946
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FINDINGS
DIVULGED

A summing up of advertising carried by Le Petit Journal in 1946 reveals:—

**1400 advertisers** used this popular French weekly regularly, to the tune of:—

**496,629** lines for national advertising and

**519,821** lines for local retail advertising.

A total of:—

**1,016,450** lines, or approximately 20,000 lines per issue.

When you consider that Le Petit Journal's pages are tabloid-size, this average of 20,000 lines per issue is remarkable. And it proves the great confidence advertisers have in Le Petit Journal's "pulling power."

85% of Le Petit Journal's 182,000 French-speaking family-readers live in the 27 key centers, where 70% of Quebec's near billion dollar retail trade is transacted.

This is circulation **concentrated** where buying power is **concentrated.** Use this well-placed circulation to **your** advantage. Advertise in Le Petit Journal. Join these 1400 successful advertisers!

LE PETIT JOURNAL
99.97% NEWS-STAND SALES
THE WORLD'S LARGEST FRENCH WEEKLY NEWSPAPER
Member A.B.C. Ontario Representative: J. McGOEY, 21 King St. E., Toronto

# Sweden Market Open to Canada

MONTREAL (Staff) — Sweden may soon be in the market for a great variety of comparatively small exports from Canada, Per Wijkman, that country's minister to Canada, told the Canadian Exporters' Association here. He stressed direct business contacts and personal knowledge of existing market facilities as two of the best means of expanding trade.

Mr. Wijkman stated that Swedish imports represented about 20% of national income in pre-war years. Purchasing power is high, he said, as shown by the following: Every fourth person owns a radio; there were 177 telephones per 1,000 population in 1944 (Canada 146) and in Stockholm nearly one telephone for every two inhabitants; Swedish women purchased 18 million pairs of silk stockings in the last pre-war year, an average of seven pairs for every woman over 15.

Some of the items on which the minister believed Canada could increase her sales to Sweden included: canned foods; rubber and rubber products; leather (exports now restricted by export permit); woollen and cotton manufactures and artificial silk fabrics; ploughs and farm implements; metal-working machinery and automobile parts. He said there was also great demand for pigments and paints, spark plugs, glass lenses and carbon electrodes.

Referring to current discussion of multilateral vs. bilateral trade agreements, Mr. Wijkman said that in his opinion, if there are good bilateral agreements, multilateral trade will be strengthened.

# ILO Will Send Mission to East

MONTREAL (Staff))—An official International Labor Office mission will visit a number of countries of the Far East within the next few weeks, Edward Phelan, director-general of ILO, announces. Purpose of the mission is to complete and verify information contained in reports prepared for a preparatory regional Asiatic conference of ILO to be held at New Delhi, India, next October.

ILO has devoted much attention to the improvement of labor conditions in eastern countries. The war has interfered with this, but it has now become possible to resume it in a more systematic way. The New Delhi conference may be expected to prepare the way for an intensified ILO program in the Far East.

**QUINTE MILK PRODUCTS**, Wellington, Ont., President A. L. A. Richardson, states the better results reported with August dividend payment continued throughout 1946 and justified curent bonus increase from 5 cents to 10 cents a share. Annual report is in preparation.

Earnings for 1945 were equal to 58 cents excluding or 62 cents including, refundable EPT.

SPANISH
PORTUGUESE
DANISH
FINNISH
SWEDISH
ARABIC
AUSTRALIAN
JAPANESE
BRITISH

Now
FRENCH
CANADA

will have its own edition of The Reader's Digest

STARTING NEXT JULY—with a guaranteed net paid average monthly circulation of 100,000—a French-Canadian edition of The Reader's Digest will place a medium of proved effectiveness at the service of Canadian advertisers.

"SELECTION DU READER'S DIGEST" will be truly a French-Canadian edition—edited by a Quebecker, printed in French, published in Montreal. But the magic that melts racial barriers in 39 different countries will distinguish its editorial content.

The record in every one of those countries indicates that The Reader's Digest commands top-readership among the influential, able-to-buy families. The guaranteed average monthly circulation of 100,000 in French Canada therefore will represent the cream of this productive market. The prestige of the U.S. edition, which now reaches 551,000 Canadian readers, is a guarantee of the success of this latest addition to The Reader's Digest family.

Advertisers of high-quality products are already planning to give "SELECTION DU READER'S DIGEST" an important place on their media schedules for French Canada. Advertising space in early issues is particularly in demand because of the publicity and public interest that always accompany, a new edition of The Reader's Digest.

IMPORTANT TO ADVERTISERS

Closing date for all advertising copy is six weeks preceding date of publication. Plates for the July issue, published the 15th of June, must be received by May 1.

Pending the opening of Canadian offices, space reservations and requests for further information and rates should be sent to The Reader's Digest International Editions Inc., 500 Fifth Avenue, New York 18, N.Y.

International Editions of
THE READER'S DIGEST
The World's Most Widely Read Magazine

## Can. Malartic Profits Off in Final Quarter

Operating profit before allowance for depreciation, of Canadian Malartic Gold Mines was $35,752 in three months ended Dec. 31, 1946, ($40,967 in similar period of 1945). Bullion production totalled $308,482 from 80,565 tons milled, ($336,361 from 85,904 tons a year before).

Diamond drilling of the ore body below the 1,125-ft. level increased indicated ore in the final quarter to somewhat over 400,000 tons, averaging 0.114 oz. However, the ore is regarded as marginal under existing conditions. Development and diamond drilling have also indicated an ore body, known as No. 40, in the pegmatic porphyry zone. The occurrence is in the footwall of the main north ore zone and is higher in grade with more erratic values, than the normal ore bodies. Tentative estimates are 170,000 tons averaging 0.16 oz.

**HEVA GOLD MINES** says that two more rounds have been completed with first assaying $11.69 over 6.5 ft. and second running $54.11 over 8 ft. The ore is located at a point where a surface diamond drill hole indicated only $4.27 over 5 ft.

THE PLANE OF MANAGEMENT CHOICE

Modern aerodynamic design has made possible its remarkable performance.

FOR DIVERSIFIED COMPANY USE

IT IS BELIEVED THAT THE "HUSKY" CARRIES MORE PAYLOAD PER HORSEPOWER FARTHER THAN ANY OTHER PLANE OF ITS CLASS.

As a Passenger Airplane

Deluxe accommodation for 9 passengers or Bush type Seats for 12 passengers.

Convertible WHEELS • SKIS • FLOATS

As a Freighter (Readily Convertible)

3 oversize loading doors and large cabin space permit the carrying of all types of freight — canoes, timber, pipe lengths, heavy equipment.

As an Ambulance Plane

Four stretcher cases can be carried with doctor and nurse.

FAIRCHILD HUSKY

FAIRCHILD AIRCRAFT LIMITED • LONGUEUIL, QUE.

# "Gift" Company to Yield $40,000 to Aid Education

From Our Own Correspondent

WINNIPEG—At least $40,000 will be available this year for higher education, from the 1945 benefaction of A. E. McKenzie, Brandon seed merchant, who two years ago turned over his business to the Manitoba Government on condition the profits be so used.

The Government, in accepting the gift, stressed that under no circumstances would it put any money into the seed business, in case it ran into hard years. For this reason it provided that there be a $60,000 first charge on annual profits to be turned back to working capital until the capital accumulated to $500,000 over and above current liabilities. After this appropriation, the agreement provided that the residue of profits be declared as dividends and that the dividends on the government-owned stock be transferred to the A. E. McKenzie Foundation for which the Government appointed three trustees.

From the money turned over to the Foundation, the first charge set up was $10,000 a year to Brandon College during Mr. McKenzie's lifetime and $20,000 a year after his death. The residue of the dividends, if any, were to be turned over for general purposes of higher education. In each case the annual amount to be paid the College was to be increased $4,000 a year, in case it established a chair in social science.

A financial statement now discloses that in the two years since the Government took over the company there has been $120,000 to turn back to working capital, an additional $20,000 to pay the two $10,000 installments to Brandon college, and a further residue of at least $20,000 for general educational purposes.

The financial statement has been about the only bright spot in the deal for the Government. For the past 15 months there has been a long series of controversies which last week culminated in a strike of Mr. McKenzie's employees in which Premier Garson intervened to effect a settlement.

The good news to the Province however, has prospect of another headache for the Government because its competitors in the seed business are subject to income and excess profits tax and Mr. McKenzie is not. One of his other companies is reported to have dropped the price of packet seed to three cents a packet which its competitors contend, is not sufficient to allow any profit, if it were subject to tax.

TUBULAR COIN WRAPPERS
ARE A "MUST"

. . . for efficient handling of quantities of silver and coppers.

Exclusive Canadian manufacturers of Tubular Coin Wrappers. Order from:

NATIONAL
PAPER GOODS LIMITED
Hamilton Toronto Winnipeg Montreal and Vancouver

MONTREAL SHIPPING CO. LTD.

Regular Ocean Freight Service
to and from Eastern Canadian Ports
Via the following lines

MONTSHIP LINES LTD.
Western and Central Mediterranean
BLUE PETER STEAMSHIPS LTD.
Newfoundland
MOORE - McCORMACK LINES INC.
Brazil—Uruguay—Argentine
CANADA SOUTH AFRICA LINE LTD.
South Africa

CANADA CONTINENTAL LINE LTD.
France—Belgium—Holland
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MARCH SHIPPING AGENCY LTD.
276 St. James St., Montreal

GENERAL AGENTS
MONTREAL SHIPPING COMPANY LIMITED
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345 Church Street, Toronto, Canada
Branch offices
Halifax, N.S. — Saint John, N.B.
Consult your freight-forwarder or the above offices for sailings and rates.

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SOCIÉTÉ DE PLACEMENTS, INC.
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105 MOUNTAIN HILL
QUEBEC

ADMINISTRATION and TRUST COMPANY
(Société d'Administration et de Fiducie)
Established in 1902

EXECUTORS and TRUSTEES

Hon. E. L. PATENAUDE, President
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Head Office: MONTREAL
5 St. James St. East

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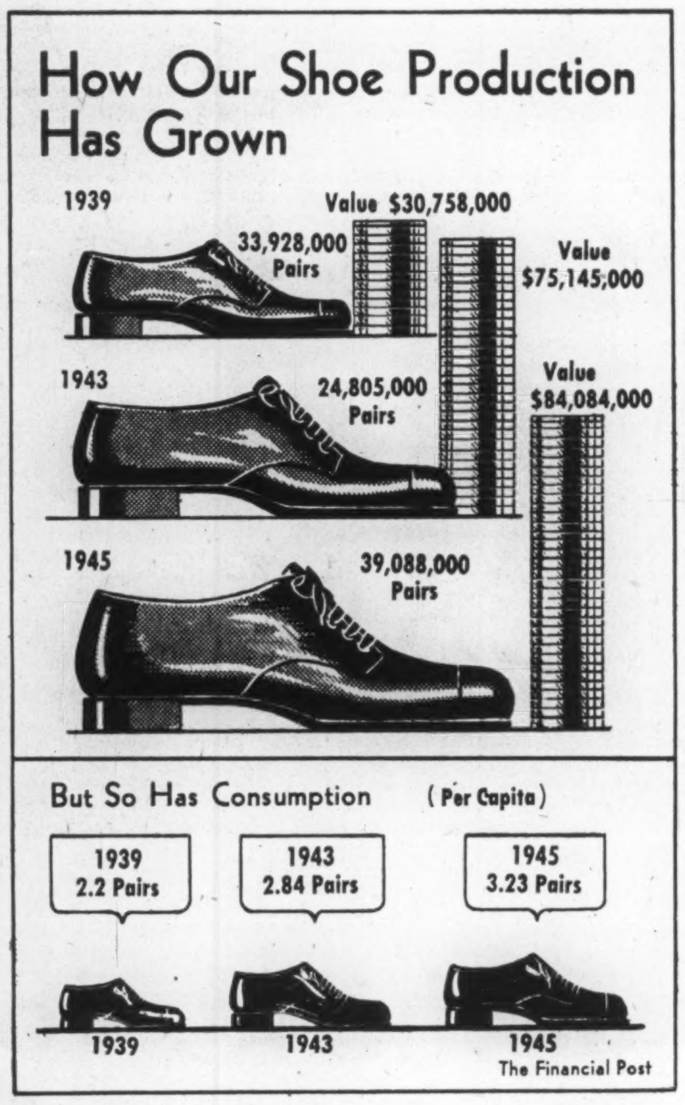


**The dollar value of shoes manufactured in Canada rose during the 1940-43 period at a more rapid rate than production because of (1) the proportionately high value of military footwear and (2) the greater use of leather for children's footwear owing to the scarcity of rubber for sneakers.**

# Future of Shoe Prices Depends on Hide Supply

### Wider Export Market Would Help Spread Costs – Wholesale Rates Due for Rise, Manufacturers Agree

Canadian shoe manufacturers in public recently gently set aside the problem of price increases dropped in their lap by the WPTB approval of 17½% increase on the price of hides, and concentrated on supply and demand, distribution and costs.

Most of the 400 attending the 28th annual convention of the Shoe Manufacturers' Association of Canada in Toronto had not seen the official text of the WPTB order, issued Jan. 20. They were told by Footwear Administrator George G. Hodges of the Prices Board that the order may be applied on leather footwear, if not less than 25% of the cost of the shoe is in leather. At retail level, increase is permitted up to 9% on women's shoes and 11% on men's, on stock taken from the manufacturer after Jan. 20.

Most manufacturers are still considering the question, but association executives agreed that "some part" of the increase will be passed on to retailers. What proportion each manufacturer will absorb, will depend on such factors as price range and production cost.

**Increase "Imperative"**

Executive Vice-President Frank Millington sounded the convention keynote in his annual report:

(1) Lifting of ceilings on certain raw materials and higher labor costs have made it "imperative" to fix manufacturers' prices at a slightly higher level . . . the average increase allowed manufacturers has been less than 10%;

(2) A sound solution must be found to the question of 52-week production annually . . . for success in distribution, satisfactory employment for labor and profit for manufacturer;

(3) It may eventually be necessary to increase the export of shoes substantially.

On the export side, Daniel P. Hatch, president of the Canadian Exporters' Association, warned: "The two sales horses, home and export — should be hitched up to pull in double harness . . . The present domestic sales honeymoon will not last much longer. Industrial strikes have prolonged the sellers' market by at least six months, but the tide is already turning. We are, today, at least ankle deep in more competitive going in many lines of merchandise, and the water gets deeper each month. Perhaps the surest way to reduce our present burden of taxation is to broaden out export endeavors."

**Export Supply Uncertain**

Would the supply of hides and materials permit continued production at the 1946 peak for export? And would the 1947 demand warrant continued peak production if supplies were available?

These were some of the questions posed at a forum, before a panel of experts from the footwear administration, prices and supply divisions and hide and leather administration of WPTB. The experts said:

Sufficient supply of domestic hides is expected to enable manufacturers to maintain production for the domestic markets, but exports may depend on domestic demand and the volume of hides imports;

The supply situation of individual items will govern lifting of ceilings on shoe materials;

Subsidies will end when price controls are lifted;

It is hoped the increase granted tanneries in hide prices will bring out any stock held for a price rise;

Management greedy for profits and labor greedy for wages may make the prices of goods so high the consumer simply won't buy;

The shoe industry has benefited in the past from the lack of competition from durable goods; from now it must compete for its percentage of the consumer dollar.

# $41.5 Millions Subventions Paid to Aid Canadian Coal

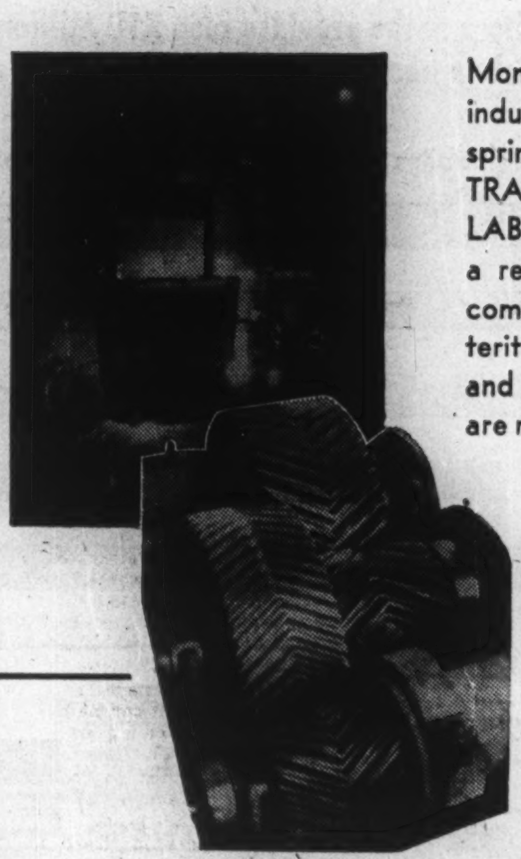
OTTAWA—Exclusive of wartime aid, Canada's "national" coal policy cost the Federal Government $41.5 millions in subventions, according to the Royal Commission report on coal. This aid, spread between 1928 and 1944, helped move 38.7 million tons of coal into areas where otherwise there would have been an uneconomic market. This averages $1.07 a ton.

But taxpayers—as taxpayers—didn't fare quite so badly as might appear. For in this period, the federal treasury collected $195 millions in revenue tariff from entry of foreign coal. Of course, Canadian consumer, this tariff meant you paid that much more for your coal and you would be inclined to add, not subtract, the cost of the subventions to the "cost" of the tariff instead of subtracting the latter.

Here is the cumulative record of peacetime subventions in the Commission report:

GOVERNMENT AID TO COAL INDUSTRY
(1928-1944 inclusive)

| | | Tons Moved | Per Ton |
|---|---|---|---|
| (1) **N. S. Coal Subvention:** | | | |
| (a) When moved to Quebec | $11,887,200 | 12,396,600 | $0.96 |
| (b) When moved to Ontario | 9,899,000 | 7,747,000 | 1.27 |
| (c) When moved to N. S. & N. B. | 3,313,300 | 1,076,800 | 3.09 |
| | 25,099,600 | 21,220,400 | 1.18 |
| (2) **N. B. Coal** (moved into P. Q.) | 223,300 | 293,000 | .76 |
| (3) **Alberta & B. C. Coal:** | | | |
| (a) When moved to Manitoba | 6,482,300 | 4,729,000 | 1.37 |
| (b) When moved to Ontario | 3,626,900 | 1,268,300 | 2.86 |
| (c) When moved to B. C. | 131,200 | 232,500 | .65 |
| | 10,259,400 | 6,229,800 | 1.64 |
| (4) **Saskatchewan Coal** (to Man. & head of lakes) | 440,400 | 1,314,700 | .33 |
| (5) **B. C. Bunkering & Export Assistance** | 1,252,600 | 1,726,700 | .73 |
| (6) **Statutory Assistance:** | | | |
| (a) To Dosco (under Coke Bounties Act) | 3,587,700 | 7,247,800 | .49 |
| (b) For construction of coke plants | 632,100 | 634,700 | .99 |
| **Combined total** (1 to 6) | $41,495,000 | 38,867,000 | $1.07 |



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F142

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# Aluminum Industry $200 Million Asset With Exports Aiding Foreign Exchange

North of Quebec City in the heart of the Saguenay district is located the fountainhead of the Province's $200 million aluminum industry. At Arvida and Isle Maligne are potrooms capable of turning out 800 million pounds of ingots yearly. Nearby is located the heartbeat of the aluminum industry; the giant Shipshaw power development capable of generating 1,500,000 horsepower a year.

Though the main Aluminum Co. of Canada smelters are located in the Saguenay district, such locations as Beauharnois, La Tuque and Shawinigan Falls also participate in the industry. Here are located smelters capable of turning out an additional 200 million pounds of ingot annually. In Shawinigan Falls, also the province has Alcan's large fabricating plant where aluminum bar, rod, wire, cable, molding, tubing and nails are produced.

All told, Quebec is capable of contributing more than one billion pounds of aluminum ingot annually. In this respect the Quebec province ranks as the second largest producer of primary aluminum in the world. Actually Aluminum Co. of Canada has a primary economic capacity greatter than any other individual producer in the world. It can turn out, if required, over one billion pounds of ingots annually, through all-out operations. In the United States, the biggest producer is Aluminum Co. of America, with primary economic capacity of some 650 million pounds. Reynolds' Metal has a primary capacity of some 375 million pounds annually; The Kaiser plant on the U. S. west coast can produce at a rate of some 225 million pounds annually.

### Exported 187,000 Tons

Because of the tremendous size of the Quebec aluminum industry, and the fact that Canadian markets only absorb a fraction of the output, it is no wonder that aluminum is one of Quebec province's outstanding selling points in foreign markets. In 1946 over 187,000 tons of ingot were exported by this Quebec industry to approximately 50 countries. This meant a return of close to $50 millions to the industry. Customs figures for 1946 show that total products exported by this Quebec industry meant some 55 millions of foreign exchange for the country.

In terms of employment, the aluminum industry ranks on a par with Quebec's fishing industry. Last year it gave some 8,000 persons regular employment.

Last year the industry operated at a rate approximately equal to 50% of rated capacity of the Saguenay smelters or 40% of the industry's peak wartime rate. A production of some 400 million pounds of ingot is indicated by export returns. This was a far cry from the 100% wartime rate but was substantially higher than had been anticipated when war was over. Operations of the industry last year would have been higher than actual levels had soda ash, a chemical material, been available in larger quantities.

Most observers agree that the 1947 outlook is encouraging. The industry has proved that it has outgrown its pre-war "pots and pans," baby clothes, and is in a position to compete with such products as wood, plastics and steel, in fields heretofore regarded as closed to it. These include: superstructures for ships; trailers for trucks; railway passenger and freight cars, roofing sheets for barns and homes. These are some of aluminum's potentially large growth outlets; but there are many others.

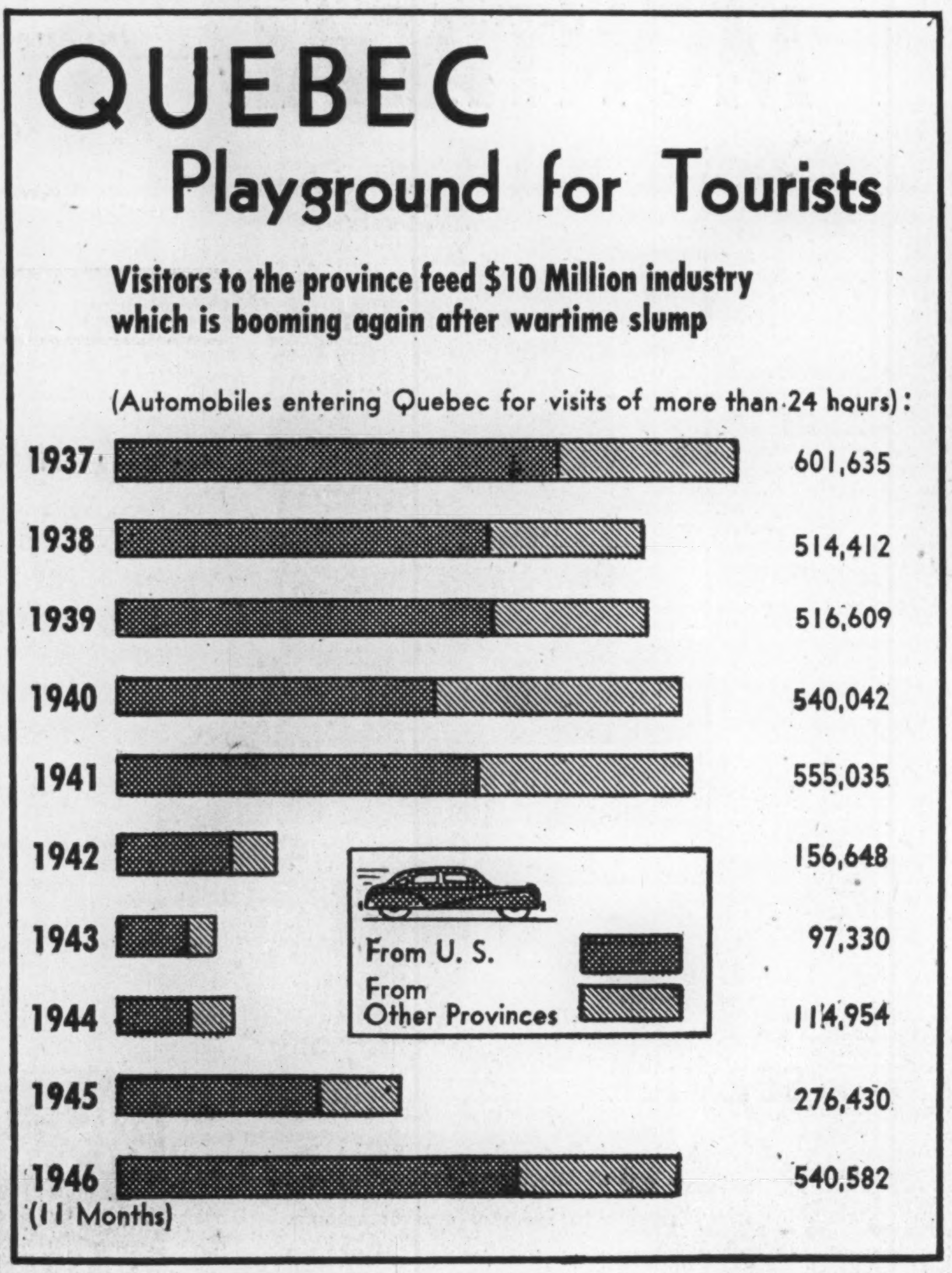
Though there are tremendous opportunities for aluminum, the industry knows that it has its work cut out for it in attempting to displace other metals in these fields. For one thing, the producers of steel, plastics, wood, etc., won't make room for aluminum without a struggle; and this struggle will be more pronounced, once present shortages in these materials ease. Though the price of aluminum has been cut more sharply than any of its competitors', and the Quebec industry has paced the field in price cuts, the world's largest aluminum market will only accept Quebec aluminum at a price: Ability of the Canadian industry to hurdle a 3c. per pound U. S. tariff on imports from Canada. U. S. producers of aluminum have persisted in keeping that tariff at its existing rate, despite crying shortages of aluminum in that market.

### Seeks "Bread, Butter" Sales

The company is, and has been, looking elsewhere for its "bread and butter" sales. In the United Kingdom, with a 480 million pound ingot order under its belt, the industry has been assured of reasonably high operation from that country alone.

Erection of fabricating facilities to provide a further increase in ingot outlets is now under way at Arvida and at Shawinigan Falls as also in Kingston, Ont., Mexico, South Africa, India and the United Kingdom. The company is now spending $500,000 at its Shawinigan Falls works in a program designed to increase existing production facilities by 30% in order to meet present and prospective demands for aluminum cable and other aluminum wire products.

Jointly with the pulp and paper and power industries in the Saguenay, the aluminum industry has brought new life blood into the Lake St. John area of Northern Quebec. The new zinc smelter will add much to the industrial life and economic progress of that section. Only recently the Saguenay Industrial Development Association had this to say about industrial developments there: "The Saguenay Valley has many unique advantages to offer industrialists; and we are confident that the new zinc enterprise is another forward step in the industrial development of the district."



# COMPANY REPORTS

**CAPITAL TRUST CORP.** 1946 net profit was off narrowly at $59,083 (after a $10,979 provision for pension fund). Savings and guaranteed investment deposits reached a new high of $8,755,164, an increase of $1,248,494. Estates, trusts and agencies also showed a substantial increase, total assets under administration amounting to $9,771,000, an increase of $1,288,952. Quick liquid assets at market value Dec. 31, 1946, were equivalent to 106.28% of savings payable on demand, it was stated. All real estate held for sale was disposed of except one small item.

The sum of $20,000 was transferred to general reserve from profits for 1946 and $25,000 from real estate reserve to general reserve. Plans are being prepared for a modern, fireproof office building at Metcalfe and Queen Sts., Ottawa, a site purchased some years ago. A dividend of $4 a share, payable March 1, 1947, represents an increase of $1 a share over last year.

| | 1946 | 1945 |
|---|---|---|
| Liab. to public, etc.* | $8,840,735 | $7,578,458 |
| Shareholders' equity | 1,273,026 | 1,225,898 |
| *Secured by: | | |
| Mortgages | 5,004,886 | 4,319,541 |
| Realty for sale | 12,288 | 27,082 |
| Office premises | 60,002 | 60,002 |
| Liquid assets§ | 5,036,585 | 4,397,731 |
| **Total** | 10,113,761 | 8,804,356 |
| §Includes bonds and stocks. | | |
| Estates account | 9,771,000 | 8,582,048 |
| **Earned per share†** | $6.67 | $6.86 |
| Paid‡ | 4.00 | 3.00 |

†Based on amount paid up on capital stock. ‡Includes Mar. 1 appropriations.

**DOVER INDUSTRIES LTD.** net profit for the year ended Sept. 30, 1946, was up 83.4%. Operating profit was up $20,571 and income tax provision, including refundable portion, was down $22,028. An amount of $56,676 included in net profit was derived from profit on sale of investments.

**CONSOLIDATED INCOME ACCOUNT**

| Years Ended Sept. 30: | 1946 | 1945 |
|---|---|---|
| Net earnings | $382,188 | $310,123 |
| Less: Deprec. | 19,340 | 17,384 |
| Inc. tax res.‡ | 160,309 | 182,337 |
| **Net profit†** | 202,539 | 110,402 |
| Less: Com. divdss. | 85,690 | 85,690 |
| **Surplus for year** | 116,849 | 24,712 |
| ‡Incl. refund. EPT | 6,000 | 22,500 |

†Note: Co's. report includes ref. EPT in net profit and surplus for year.

| Earnings per Share and Dividend Record: | | |
|---|---|---|
| Earned: Excl. EPT | $1.42 | $0.77 |
| Incl. ref. EPT | 1.46 | 0.93 |
| Paid | 0.60 | 0.60 |

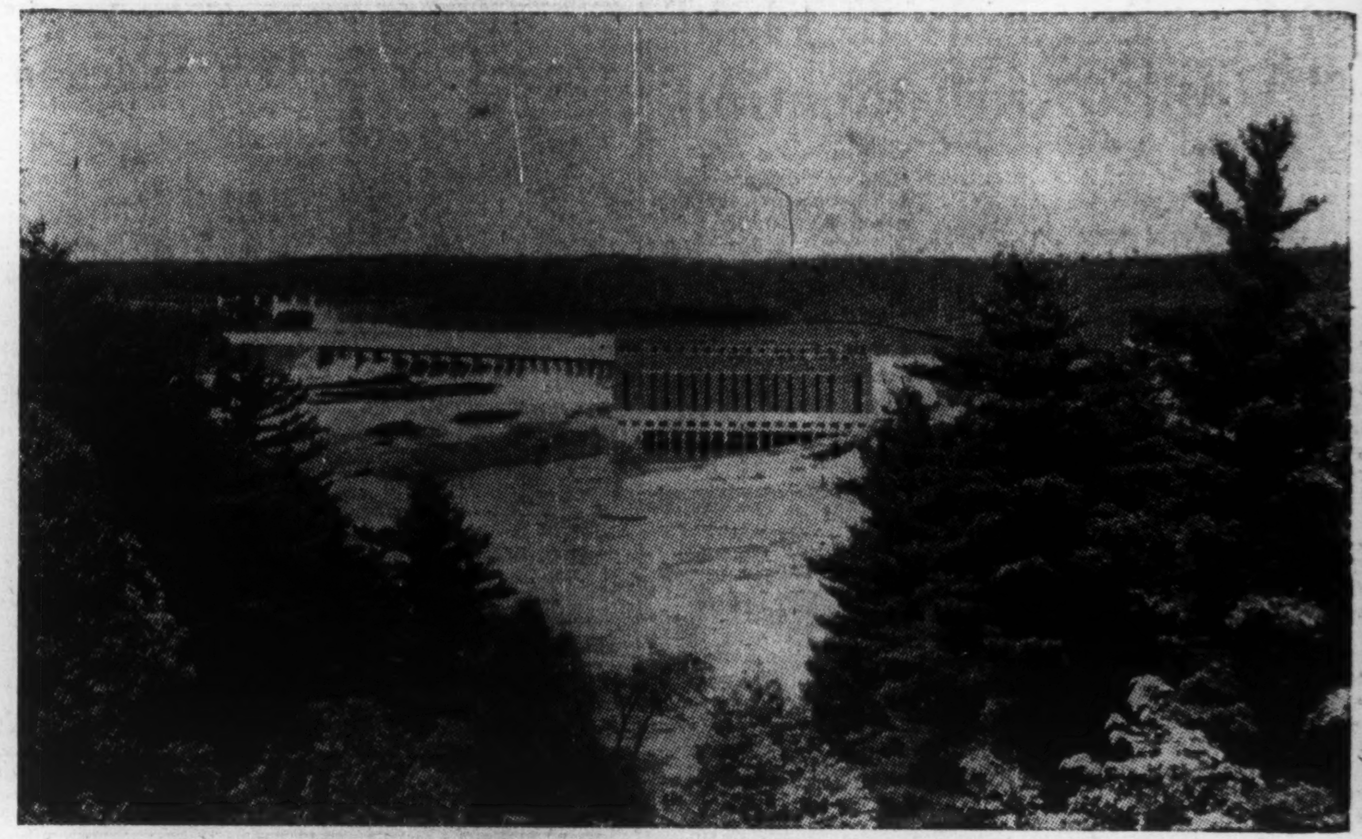
**CONDENSED CONS. BALANCE SHEET**

| As at Sept. 30: | 1946 | 1945 |
|---|---|---|
| Cash | $405,613 | $315,659 |
| Accts. rec. | 228,408 | 212,237 |
| Investments§ | 113,506 | 128,548 |
| Inventories | 372,417 | 349,627 |
| **Total curr. assets** | 1,119,944 | 1,006,071 |
| Misc. assets▲ | 91,919 | 83,734 |
| Goodwill | 137,082 | 137,082 |
| Fixed assets* | 216,741 | 206,597 |
| **Total assets** | 1,565,686 | 1,433,484 |
| **Total curr. liab.** | 218,075 | 208,723 |
| Capital stock | 1,000,000 | 1,000,000 |
| Earned surplus▲ | 347,611 | 224,761 |
| *After depr. of | 550,566 | 542,202 |
| ▲Incl. refund. EPT | 73,950 | 67,950 |
| §Market value | 118,347 | 172,647 |
| **Working capital** | 901,869 | 797,348 |

**SNOW LAKE GOLD MINES** has acquired a group of 40 claims adjoining holdings of Falconbridge Nickel Mines in Lynn Lake section, Man., and has taken an option on nine claims adjoining the main Sherritt-Gordon property. Snow Lake still retains the two groups of claims in Snow Lake district, Man.

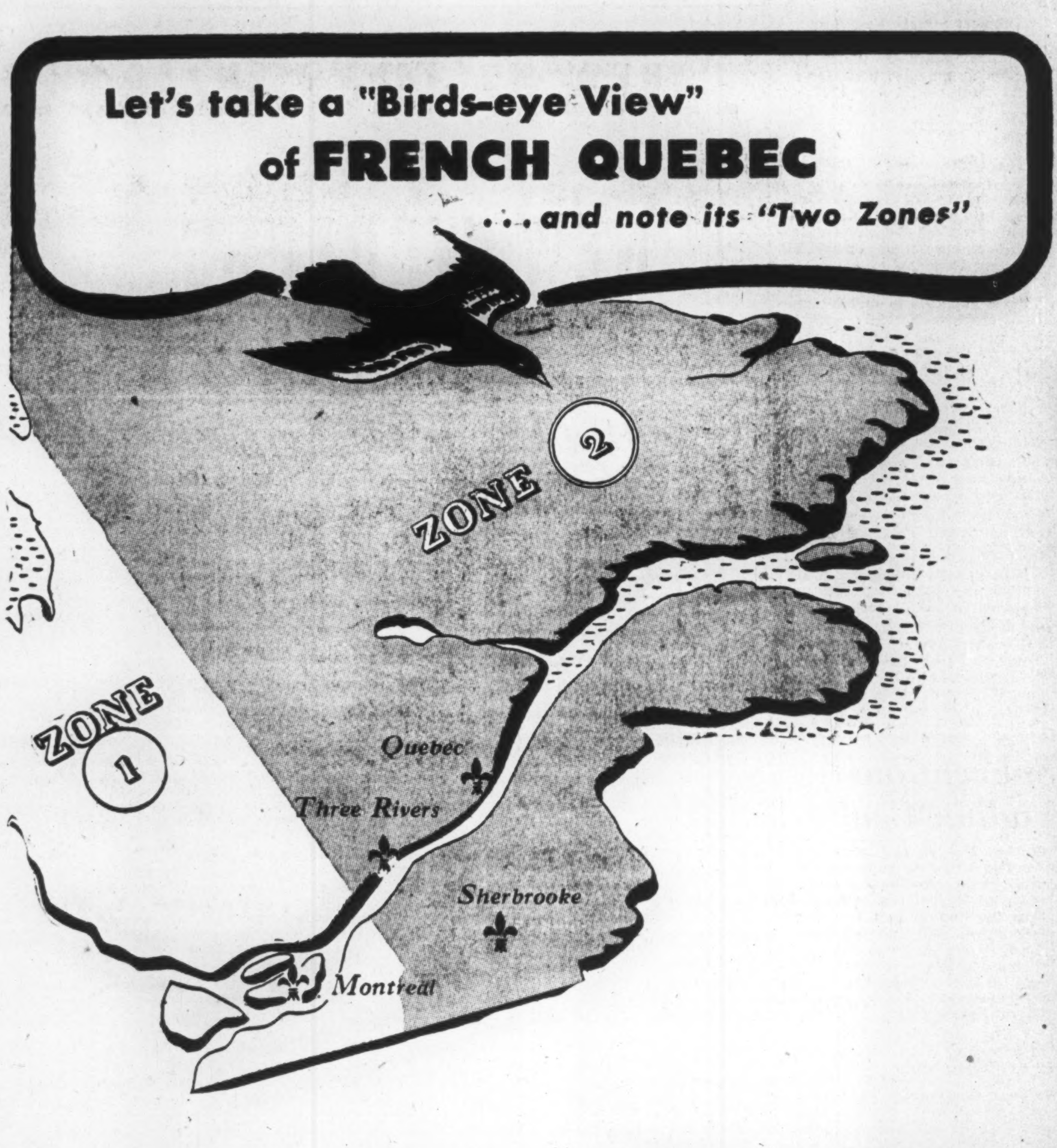
**YUKON CONSOLIDATED GOLD CORP.** reports production of $1.4 millions in 1946 from operation of six dredges in the Yukon. Stripping operations were also carried out at the location of the dredges while thawing plants were operated at five locations. Higher operating costs and difficulty in obtaining steel and other materials were experienced. Unaudited figures show a net profit of approximately $70,000, before allowance for taxes, in 1946. Liquid assets were about $1.2 millions. A dividend of six cents a share has been declared payable Mar. 7 to shareholders of record Feb. 7.

**NICHOLSON MINES** plans carrying out prospecting on properties in Yellowknife and Indin Lake areas, N.W.T. A Geiger Counter survey was completed on Goldfields property in Lake Athabaska area, last year.



*Farmers Plant with Chelsea in the background, on the Gatineau River seven miles north of its junction with the Ottawa River. Following completion this month of the fifth and final unit at Farmers the installed capacity of these two hydro-electric plants is 290,000 horsepower.*

GATINEAU POWER COMPANY
OTTAWA CANADA



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# Quebec City Cuts Net Debt In Fiscal Year

### Assessed Valuation Up — Program Points to Debt-free Basis by '70

MONTREAL (staff) — Quebec City Treasurer C. R. Fontaine last week handed down a statement on the city's present financial position. Both investors and investment dealers alike acknowledged that the city had made good financial progress during the fiscal year ended April 30, 1946.

In digest form here is what the city accomplished in that period. On the asset side of the city's financial ledger Mr. Fontaine pointed out that:

1. Consolidated net debt was cut by $1.4 millions, from $26,563,200 in 1944-45 to $25,154,042 as of April 30, 1946. Net debt was reduced $150,082 from the previous year.

2. Net consolidated debt per capita decreased by $13.47 to $137.12. Population of Quebec is now 183,441, an increase of 7,055 in the past year.

3. Assessed valuation increased by $1,542,457 from $122,634,812 to $124,177,269 after effecting the required adjustment for property taxable only in part. Net consolidated debt represents 20.25% of this valuation.

4. Gross revenues of the city in the period under review resulting in most part from realty and sales taxes. Taxes receivable, less reserve, are $494,654, a decrease of $347,977 from the 1944-45 figures due to improved tax collections.

5. The proportion of revenue required for debt service has decreased to 40.97% from the figure of 42% in the preceding year. Decrease is due solely to increased revenues since bond redemptions showed an increase of $19,949 over 1944-45, the report stated.

In the beginning it was a necessity, when Quebec's habitants made their own colorful clothing of warm wool. The tourist demand, domestic Canadian market and home consumption have raised the home loom in Quebec into the ranks of a major industry, with an estimated 50,000 looms catering to the demand.

On the liability side of the financial ledger of the city the following may be listed:

1. The city had an operating deficit of $185,723 compared with $255,857 in 1944-45 although the size of the deficit was reduced considerably from levels that had originally been anticipated for the city.

2. Floating debt of the city has increased by $759,207, Mr. Fontaine stated.

3. The city's revenue fund surplus moved down from $266,252 to $200,512.

Some observers interpret this report as answer to those critics of the city who hold out that the city's financial structure ought o be revamped in part or in full by refunding operations. Only recently the city asked for suggestions as to whether any financial operations should be conducted this year by the city. All recommendations submitted were agreed that the city need undertake no financing on the city's debt structure although one group suggested refunding of some of the city's near call debt and funding of its bank loans. For the 1946-47 fiscal year carrying charges on the city's debt will total $2,535,000 of which $1,095,000 represents amortization and $1,440,000 represents interest. The city's present program will give the city a debt free structure by 1970, it is pointed out.

# Coal Industry "Not Too Profitable" Western Mines Have Best Showing

Operations of the Canadian coal industry as a whole have not been too profitable. That is the conclusion drawn by the Royal Commission on Coal in its recently released report.

Based on $82.9 million capital employed at the end of 1944 and 180 million tons sales over the 15-year period, 1930-44, the industry had a net profit after depreciation and income taxes, but before depletion, of about 9.7 cents a short ton; about equal to the depletion provision of 10 cents a ton allowed by the Dominion Income Tax Department. But the net profit includes a total of 8.4 cents subsidies from the Dominion Government and assistance from a Provincial Government.

While this is the over-all result, a geographical distribution shows investors in western companies enjoyed a better return. The eastern companies (Maritimes) sold 52% of the coal but only made a net profit of 1/3 of a cent on a ton. The western companies (Saskatchewan to B. C.) sold 48% of the coal and realized a profit of 19½ cents a ton. (Both profits are before provision for depletion.)

### Subsidies Averted Loss

But these results are after including production subsidies paid by the Emergency Coal Production Board and other government assistance totalling about $15 millions, of which about $13.8 millions was paid to the eastern companies and $1.2 millions to the western companies, the report notes. Excluding these payments, operations of eastern companies would have shown a loss of 14½ cents a ton, while profits of the western companies would have beeen reduced to 18 cents a ton. But subsidies paid by the ECPB were in considerable measure due to the wartime price ceiling policy, the report stresses.

Further, a very large proportion (96.6% in the survey) of the net income before bond interest comes from sources other than the actual mining of coal—e.g., operation of utilities, rentals, production of coke, briquettes and by-products and from investment earnings. Over the 15-year period, combined net earnings on coal mined of all companies amounted to $790,088 or 4/10 cents a ton on all coal sold. From other sources coal companies earned $21,671,441 or 12 cents a ton.

Only about 50% of the companies examined have ever paid dividends. Over the 15 years $17,852,006 was paid—an average of $1,190,134 a year or 1.85% on the $64,396,969 of capital. By areas the 15-year record shows:

| Companies: | Capital | Divds. paid | Av. yearly return |
|---|---|---|---|
| | ($000) | | % |
| Western bituminous | 24,887 | 12,332 | 3.30 |
| Maritimes | 25,764 | 4,407 | 1.14 |
| Alberta domestic | 5,486 | 776 | 0.94 |
| Vancouver Island | 4,628 | nil | nil |
| Saskatchean | 2,013 | 41 | 0.14 |
| Alberta stripping (private cos.) | 1,619 | 296 | 1.22 |
| Total | 64,397 | 17,852 | 1.85 |

### West Fared Best

A very general review of the industry will indicate that the western companies have had a favorable operating experience, the most satisfactory of which was enjoyed by the bituminous operators in Alberta and eastern British Columbia, the report notes. The record of the domestic mines in Alberta is varied, as the analysis will show that some have carried on with marked success, while the record of others is quite indifferent.

Canadian Collieries (Dunsmuir) Ltd., the major producer in British Columbia, has had only a fair operating record. Operations of only one company in the Nicola-Princeton field have been reviewed, but the record of Saskatchewan operations, on the whole, have progressed, the major operator carrying on strip mining and, although receiving production subsidy during the war period, can be regarded as a successful operation.

Minto operations in New Brunswick, carried on to meet a localized demand, received only limited assistance by way of transportation subventions. During the war period, however, all companies in this field received production subsidies from the Emergency Coal Production Board.

Operations in Nova Scotia particularly required transportation subventions, and the amount expended in this connection is dealt with in a separate chapter on that subject. The war produced many conditions particularly difficult for Nova Scotia. Cost of production there was always high but was neutralized to some extent by the low cost of using the St. Lawrence Waterway to eastern markets. Difficulties became quite pronounced when the exigencies of war precluded that traditional movement of their coal, the report states.

A summary of results indicates:

(a) **Period 1930-35 (depressed)**—Out of 42 companies, four in the East reported losses of $3,693,282 and six in the West losses of $354,814. Ten eastern companies reported total profits of $1,269,987 and 22 western companies total profits of $5,811,817.

(b) **Period 1936-39 (normal)**—Out of 49 producing companies representing 77% of total Canadian production for these years,

| | |
|---|---|
| 7 in East had losses of | $2,129,588 |
| 7 in West had losses of | 121,314 |
| 8 in East had profit of | 2,638,957 |
| 27 in West had profit of | 3,628,112 |

(c) **Period 1940-44 (War)**—Out of 60 companies, 18 eastern and 20 western received subsidies; one eastern and 21 western did not. Of the 19 eastern companies, four showed losses both before and after subsidies; 10 showed losses before subsidies and Provincial Government assistance but profits after subsidies; six showed profits both before and after subsidies and one which did not receive any assistance, showed a profit. Of the 41 western companies, four had a loss both before and after subsidies; 10 showed losses before subsidies but profits after; six showed profits both before and after subsidies; and the 21, not receiving subsidies, all showed profits.

**CANADIAN CANNERS LTD.** reports an additional 1,595 convertible preferred shares exchanged for common, making issued capital 190,641 1st preferred, 310,796 convertible preferred and 182,134 common.

**PICCADILLY PORCUPINE GOLD MINES** advises that option outstanding to E. F. Fockler to purchase 6,667 shares at 30 cents by Jan, 27, has not been exercised and balance of agreement has been terminated by default.

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# Quebec Industry Grows On Broad Foundation

(Continued from page 29)

erty are likely to total at least $200 millions, it is stated.

Background for practically all of Quebec's industrial expansion, however, is her power. Turbine installations in the province in 1946 totalled 5.8 million horsepower. This represented about 57% of total Canadian installation and more than twice as much as neighboring Ontario. Additions to this vast power reservoir are planned for 1947. Construction on the upper Ottawa costing $5½ millions will increase power available from this source by substantial amounts. A still bigger program is planned for Shawinigan Falls where installations will total 195,000 h.p. additional.

Another of Quebec's resources which promises to play a still more important part in the province's economic life is the St. Lawrence River. During the war St. Lawrence shipyards turned out a record tonnage of shipping for war service. Last year they began looking for peacetime contracts and in most cases found them.

The St. Lawrence is bringing another type of business to Quebec also. New shipping companies have sprung up like mushrooms in Montreal and there has been a large increase in tonnage under Canadian flag. The Canadian government must also be given an assist on this increase since many of the new companies incorporated in Canada to operate ships which they purchased from the Crown. It is all new business for Quebec, however, and there are now direct lines from Montreal (Saint John or Halifax in the winter) to South America, South Africa, Asia and Europe.

So far we have touched on some of the possibilities which Quebec's resources hold for the future. Like any other province or locality, however, Quebec's greatest resource is her people. How are they entering the postwar era? It can be said generally that they are approaching the future with optimism and foresight. Indications of optimism are not hard to find. Down on remote Magdalen Islands a fisherman's co-operative is laying plans to purchase one or two planes to fly their fish to the New York or Boston markets.

### Plan to Make Movies

Probably the height of optimism was reached last year by two Quebec motion picture companies which plan to make and distribute full-length feature pictures. Quebec Productions Inc. have recently filmed The Fortress in both French and English. Renaissance Films Distribution Inc. purchased 300,000 sq. ft. from the City of Montreal to erect a film studio which it is said will be the third largest in the British Empire. Experts who claim to know, think Canada or Quebec hasn't much of a chance in the picture business against Hollywood and Elstree. Heads of these two companies think otherwise. Their argument is if Canada can import $2 millions of French pictures, more millions of English and about $50 millions of Hollywood why can't Canada export some of the same commodity?

Something of this same spirit is exhibited by Quebec's fashion designers. During the war fashions from Paris, London and New York were virtually non-existent. Montreal designers while short on materials were long on opportunity and they made the best of it. With the major fashion centres in a state of suspended animation Quebec designers were able to at least get their names known by Canadian women. Shortly after the war they put on fashion shows; spent more money on advertising and even had a movie short taken of Canadian fashions.

As a result of this effort Quebec designers now have a "name" to sell. Another effect of the fashion makers program has been to further integrate the textile industry within the province. Quebec is already the centre of Canada's cotton textile industry and is the home of a large part of silk and artificial silk manufacturing. Now the designers by smart styling and merchandising have created a market for Quebec textiles; produced within the province from raw material to finished garment.

These changes in Quebec have not come about haphazardly but are largely the result of the other present-day characteristic mentioned above—foresight. Planning is one of the outstanding features of Quebec's government—both provincial and municipal. The Government's forest policy is one example; another is its colonization plan to broaden the agricultural base of the province. One project in particular has met with notable success. That is the tobacco-growing district of Joliette where land which 10 years ago was selling for fifty cents an acre is now sold for as high as $75 and $100 an acre. Projects like this will, it is hoped, check the exodus of young people from country to city.

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Twenty-one years of development of the Celanese idea—of transforming that idea through modern machinery into products that satisfy human needs.

Twenty-one years in building a Celanese industry employing over 4,000 workers and paying over $6,000,000 in annual wages to workers in the Province of Quebec.

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Now in its twenty-first year Canadian Celanese Limited is laying foundations for another plant in the province of Quebec. A new Celanese plant has been started in Sorel, Quebec.

Canadian Celanese Limited has confidence in the industrial growth of Quebec and in the prosperity of its people through the industrial development of an idea.

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textiles
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# SOUNDNESS

## IN THE VAST AREA OF QUEBEC, WHICH EXCEEDS THE COMBINED AREAS OF ENGLAND, FRANCE, MARITIME PROVINCES, NEW YORK STATE, NEW ENGLAND AND CALIFORNIA, LIES THE REAL OPPORTUNITY FOR INVESTMENT;

## BECAUSE THE POPULATION IS FAITHFUL TO PRINCIPLES THAT STAND FOR PROGRESS WITHIN WELL-ESTABLISHED ORDER;

## BECAUSE THE PROVINCE CONTAINS IMMENSE NATURAL RESOURCES AND HAS EXCELLENT TRANSPORTATION FACILITIES.

This oldest and largest province of Canada moves along its calm way undisturbed by the storms of troubled thoughts which are agitating other parts of the world. The people of Quebec believe in the sober principles which stand for progress within well-established order, for progress not of an ephemeral order but a progress based on sound and lasting rules. This spells in the practical things of every day life respect for honest investment, encouragement to private initiative, belief in the principle that capital and labor are partners in the common task of building an ever greater province.

Pseudo philosophies of State interference in every phase of life find no encouragement in the Province of Quebec.

Nowhere else in the world will honest capital find a better haven than in Quebec, nor opportunity for reasonable return and adequate protection in its honest task of serving man.

The waterpowers of Quebec during the present century have undergone developments which have already produced a quickened industrial life, and which are capable of meeting all demands which industry may make. There is no limit which can be seen now as to their future developments. Located strategically by a benevolent Providence in the various parts of the province, the waterpowers permit of establishment of industries of all kinds where power, in great and small quantities, can serve industry every day of the year. Some waterpower developments of the province already in operation are the epic type, and emphasize what is to come.

The mineral development of the Province of Quebec stands today on the dawn of an expansion which experts believe will make world mining history. The variety of metals, their abundance, and their accessibility, are evidences of what is to come in rapid order.

Scientific forestry research is pointing still more avenues for the use of the varied types of woods grown in the Province of Quebec. The vast forest industry of the province — the continental centre of newsprint production par excellence, for example — is at the dawn of still greater development, and along new lines thanks to such scientific discoveries as to uses which may be made of woods hitherto held to be of minor importance. Under scientific supervision the forests of Quebec will insure the permanency of its waterpowers, of the fertility of its agricultural life — still and always the primary strength of the province — the preservation of its fauna and fisheries.

The forests of the province are reserves that will provide the wood with which to build and rebuild the cities and towns of the continent, and assure the continuance of supply for the newsprint of a free Press. The marine fisheries, already noted for the fine quality of their yields, are on the threshold of a development which will mean reaching into distant markets.

Recognition has come of late to the fact that the tourist industry is one which is to rank amongst the great industries of the centuries. Where else on such a scale can such an industry be developed than in Quebec — with its majestic rivers, its thousands of lakes, its wild life, and with a people inhabiting it who have lost none of the graces of hospitality which distinguished their forebears? The province, where old and new ways of living sometimes blend together in a unique manner, sometimes contrast peculiarly, offers the tourist the "quite different" surroundings he seeks.

The healthful winter climate, with its deep snows, affords opportunities without rival for the creation of a great winter playground in the mountain ranges which stretch across the province. Here are pleasures comparable with the delights which open up to the disciples of Izaak Walton, and the followers of Nimrod at other seasons of the year.

The height of ocean navigation is found at Montreal, and down the river from Montreal to the ocean are other well equipped ports capable of handling cargoes from all lands of the world. From Montreal stretch out the lines of the world's two greatest rail transportation systems, and the interior of Canada can be reached from the Metropolis by a system of canals ever being improved.

The network of highways is excellent. Though already extensive, it will be increased to meet new requirements. There are up-to-date airlines.

Add to the advantages enumerated the primary factor —the sanity of the people and their desire for progress in order — and the glimpse is given to the illimitable resources which await but the touch to be transformed into untold wealth, and the picture of the after-war future is unrolled.